HUNTING PLC
HALF YEAR REPORT 2011

Contents

Half Year Management Report

Hunting PLC ("Group"), the international energy services company, announces its results for the six months ended 30 June 2011.

Introduction

The first half of 2011 has demonstrated the volatility and uncertainty in which the energy industry and its suppliers operate. From the supply disruptions and unrest seen in the Middle East, to windfall taxation in the North Sea and the devastating effect of the earthquakes in Japan, operators have seen external factors to the industry impact oil prices, with WTI trading between US$78 and US$113 per barrel in the year to date.

Against this backdrop, commentators have forecasted record global demand at over 90 million barrels per day and international rig counts have increased 8% year on year, which has meant that business momentum has markedly increased as we enter the second half of 2011.

Within this dynamic environment, Hunting has continued to implement its strategy of growth, through acquisitions and organic investment. On 5 August 2011, the proposed acquisition of TSI Acquisition Holdings LLC and its subsidiaries ("Titan") was announced and on 12 August 2011, the acquisition of Dearborn Precision Tubular Products, Inc. ("Dearborn") was completed. Both of these are excellent businesses, which fit Hunting's strategy.

During the first half of 2011, four new facilities became fully operational in the US and China. An expansion project at National Coupling was also initiated to double production capacity and construction commenced on a new manufacturing facility in Houma, Louisiana, to benefit from the renewed activity in the Gulf of Mexico.

Hunting's results for the six months ended 30 June 2011 reflect the robust business environment, primarily due to sustained shale drilling activity in North America and renewed appetite for deep water offshore drilling.

With new permits being issued in the Gulf of Mexico, momentum is building in all areas of our business, which should see the Group deliver results in line with management's expectations for the year as a whole.

In line with the Group's stated acquisition strategy, the Group announced on 5 August 2011 its intention to acquire 100% of the share capital of Titan for US$775.0m (£475.5m), subject to adjustments. Titan is a leading provider of perforating gun systems, shaped charges, well logging instrumentation, perforating gun switches and other engineered hardware used throughout the drilling, completion and maintenance of a well. The acquisition is subject to, inter alia, regulatory approvals and the approval of Hunting's shareholders at a general meeting scheduled to take place on 15 September 2011.

On 5 August 2011, Hunting announced the placing of 13,175,838 new Ordinary shares at a price of 648p, representing approximately 9.9% of Hunting's existing issued Ordinary share capital. The net proceeds from the placing of £83.5m will be used to fund, in part, the proposed acquisition of Titan.

A new bank facility agreement was signed on 5 August 2011. The five-year, multi-currency revolving credit facility of £375 million is conditional on the acquisition of Titan completing and will replace Hunting's existing £120 million facility on completion.

On 12 August 2011, Hunting completed the acquisition of Dearborn, a company that provides specialist precision machining services, for a total consideration of US$83.5m (£51.1m).

Half Year Management Report continued

Financial Summary

The summary results for the Group from continuing operations are presented below:

	H1 2011 £m	Restated H1 2010 £m	%
Revenue	251.3	193.3	+30
EBITDA before exceptional items (note 3)	35.5	27.5	+29
Depreciation and amortisation before exceptional items	12.5	8.7	+44
Profit from operations before exceptional items	23.0	18.8	+22
Net finance (charge) income	(0.4)	0.7	–
Share of associates' post-tax profits	0.4	0.4	–
Exceptional items	(0.9)	(7.2)	–
Profit before tax	22.1	12.7	+74
Profit for the period	15.3	8.5	+80
Basic earnings per share	10.7p	5.5p	+95
Basic earnings per share before exceptional items	11.3p	9.4p	+20
Diluted earnings per share	10.5p	5.4p	+94
Diluted earnings per share before exceptional items	11.1p	9.2p	+21

Field Aviation's results for 2010 have been re-presented as discontinued operations.

For the six months ended 30 June 2011, the Group experienced a 29% improvement in EBITDA compared with the six months ended 30 June 2010.

Revenue from continuing operations for the six months ended 30 June 2011 increased to £251.3m (2010 – £193.3m) due to improved activity levels and revenues from Hunting Innova, acquired in September 2010. Field Aviation revenues are excluded, as the business is now classified as a discontinued operation. In the six months ended 30 June 2011, Field Aviation incurred a loss from operations of £1.0m on revenues of £10.3m.

Profit before tax and exceptional items from continuing operations was £23.0m (2010 – £19.9m) and profit before tax from continuing operations was £22.1m (2010 – £12.7m). Net finance expense was £0.4m (2010 – £0.7m net finance income).

The tax charge on continuing operations and before exceptional items is £6.9m (2010 – £6.3m) and reflects an effective tax rate of 30% (2010 – 32%).

Pre-tax exceptional items from continuing operations recorded during the period comprise the following:
- Acquisition costs of £0.6m.
- Leasehold property provisions have increased by £0.3m principally due to the finance expense associated with discounting the provision.

Pre-tax exceptional items from discontinued operations recorded during the period principally comprise the following:
- Additional provisions, together with foreign exchange losses, of £0.9m have been recognised on the Canadian dollar denominated tax indemnities given in respect of our former Canadian business, Gibson Energy.
- On 15 June 2011, Gibson Energy Inc. redeemed in full the equity warrant issued to Hunting on 12 December 2008. The total amount paid to Hunting was C$134.6m (£85.3m), which comprises the warrant value of C$100.0m (£63.4m) and the accrued dividend entitlement of C$34.6m (£21.9m). A pre-tax gain of £58.3m was recorded on redemption (note 6).

Average exchange rates used to translate US$ and Canadian $ denominated results into £Sterling were US$1.62 (2010 – US$1.53) and Can$1.58 (2010 – Can$1.58).

Capital expenditure increased to £21.8m during the period (2010 – £18.6m) of which £4.7m (2010 – £5.7m) was replacement expenditure and £17.1m (2010 – £12.9m) was new business expenditure. Replacement expenditure includes £1.4m (2010 – £2.9m) capital expenditure by our Exploration and Production segment.

Net assets have increased from £594.6m at 31 December 2010 to £629.6m at 30 June 2011. The net increase of £35.0m comprises the £67.0m retained profit for the period (including the £53.1m gain on the Gibson warrant), offset by £11.0m of dividends declared, £17.9m of movements on the available for sale investments reserve, together with foreign exchange losses and other items of £3.1m.

Net cash at 30 June 2011 was £297.1m (30 June 2010 – £314.1m), as shown in note 12.

A dividend for the half year of 4.0p per share (2010 – 3.7p) will be paid on 18 November 2011 to shareholders on the register at the close of business on 28 October 2011.

Half Year Management Report continued

Operational Review

Hunting's segmental results are presented below:

Profit from continuing operations before exceptional items

	H1 2011 £m	Restated H1 2010 £m	Restated FY 2010 £m
Hunting Energy Services			
Well Construction	6.8	2.9	8.0
Well Completion	11.2	10.9	23.1
Well Intervention	3.8	4.2	9.3
Exploration and Production	1.5	0.4	1.3
	23.3	18.4	41.7
Gibson Shipbrokers	(0.3)	0.4	0.8
Group	23.0	18.8	42.5

Field Aviation's results for 2010 have been re-presented as discontinued operations.

Well Construction

The majority of our businesses have performed well in the period with the premium connections business seeing a notably strong start to 2011, which included receiving its largest ever order to supply connections into the Middle East. Hunting Innova, which is now fully integrated into the Group, continues to perform in line with expectations with an improving order book.

Since the start of 2011, three new Drilling Tools facilities were commissioned to service the shale drilling activity in North America. The business continues to see a shift from vertical to horizontal drilling and our product offering is being focused to provide maximum exposure to this market.

Hunting's Trenchless business has seen strong demand in the year to date for its premium tubing, motor components and drill rods.

Well Completion

The order book within the Group's manufacturing businesses continues to improve as demonstrated by the receipt of the first order to supply products for the renewed deep water drilling in the Gulf of Mexico. In Canada, both our manufacturing and pipe sales businesses have also benefited from the strong year on year increase in drilling activity.

On 22 June 2011, the Wuxi manufacturing facility in China was formally opened. The annual design output for the plant will total 120,000 metric tonnes of OCTG and ancillary products and accessories.

Well Intervention

National Coupling Company ("NCC") remains well positioned to capture new business from the renewed activity in global deep water drilling including the Gulf of Mexico. Momentum is continuing to build for our subsea product offering with orders being received to supply to the North Sea, Australia and the Gulf of Mexico. The expansion of NCC's facilities remains on schedule, with the additional production capacity coming on stream in Q4 2011.

Elsewhere in the division, activity in Europe remains robust, with demand for services growing in the southern North Sea and continental Europe. Hunting Welltonic has also performed well in all of its key regions and is now looking to develop its product and service offering in North America. Hunting Equipment Management Services, our newly formed equipment rental business in Scotland, has also seen excellent traction in our European markets with orders doubling from the first to the second quarter of the year.

Exploration and Production

During the first half of the year, the Exploration and Production business drilled three exploration wells in North America, all being successful. Production has been slightly ahead of budget, benefiting from the sustained oil price leading to increased profits.

Gibson Shipbrokers

Gibson Shipbrokers continues to perform in line with management's expectations, despite a continuing volatile shipping market.

Field Aviation

Field Aviation, as predicted, faced a challenging market with a weak order book on the back of reduced government spending worldwide. On 30 June 2011, the business was classified as a discontinued operation, reflecting progress on the sale of the company.

Board Changes

David Barr stepped down from the Board on 11 April 2011. He was appointed as Chief Executive Officer of Logan International Inc. and is therefore unable to allocate sufficient time to his role as a Director of Hunting. It is therefore with regret that the Board accepted his resignation.

On 1 August 2011, Richard Hunting, previously the executive Chairman, became non-executive Chairman of the Company.

Half Year Management Report continued

Following the publication of the Davies Report (Women on Boards) in February 2011, the Board continues to discuss the report's findings. Further information on how the Company intends to comply with Lord Davies' recommendations will be included in the Hunting PLC 2011 Annual Report and Accounts.

Principal Risks and Uncertainties Facing the Business

The Group has an established risk management monitoring and review process. The process requires all businesses to identify, evaluate and monitor risks and take steps to reduce, eliminate or manage the risk. Some of the risks that Hunting is exposed to, which could have a material adverse impact on the Group, arise from the specific activities undertaken by the Group, whereas other risks are common to many international manufacturing companies.

Risks specific to the nature of the Group's businesses are commodity prices; product quality and reliability; adequacy of provisions; integration of acquisitions (which now includes Dearborn and will include Titan, subject to completion of the acquisition); capital investment programme and relationships with key customers.

Other risks facing the business, which are common to other international manufacturing businesses, are effective control over subsidiaries; economics and geopolitics; fluctuation in currency exchange rates; health, safety and environmental laws and regulations and the loss of key executives.

These risks and uncertainties are discussed in more detail in the Hunting PLC 2010 Annual Report and Accounts on pages 22 and 23.

Following the proposed acquisition of Titan, the Group will be exposed to additional risks, including the risk of changes in legislation, which may limit oil and gas shale drilling activity. Titan's products are used extensively in shale drilling activity and, should such legislation be passed, this would impact the revenue potential of Titan.

Material risks to the proposed Titan acquisition and the Group are laid out in the Circular to be posted to shareholders today.

Outlook

Hunting's business environment remains healthy, with key growth opportunities being captured on a number of fronts. With the new facility in China, which commenced activity earlier in the year, Hunting is well positioned to capture business in the Chinese domestic drilling market. In the Middle East our senior management team is exploring new opportunities in the region, while opportunities in West Africa are being explored to increase our exposure to this significant drilling region.

With the announcement on 5 August 2011 of the proposed acquisition of Titan, the Group has implemented a further aspect of its strategy to acquire complementary businesses with proprietary products and higher margins. Titan provides Hunting with further penetration into the international shale drilling markets and fits well with our existing products in this area. The acquisition of Dearborn will provide Hunting with further product opportunities in the measurement-while-drilling/logging-while-drilling space.

The Board believes that the acquisitions of both Titan and Dearborn will be earnings enhancing in the first full financial year of ownership, before acquisition costs and normal acquisition adjustments, such as fair value adjustments and the amortisation of acquired intangible assets, are taken into account.

Forward-looking Statements

Certain statements in this half year report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Richard Hunting, CBE
Chairman

Dennis Proctor
Chief Executive

25 August 2011

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 consolidated 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 2010 Annual Report and Accounts.

The Directors of the Company are listed on page 29 in Hunting PLC's 2010 Annual Report and Accounts. David Barr retired from the Board on 11 April 2011 and Richard Hunting, previously the executive Chairman, became non-executive Chairman on 1 August 2011. A list of current Directors is maintained on the Hunting PLC website: www.huntingplc.com

By order of the Board

Peter Rose
Finance Director
25 August 2011

Independent Review Report to Hunting PLC

Introduction

We have been engaged by the Company to review the condensed set of consolidated financial statements in the half year report for the six months ended 30 June 2011, 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 year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

Directors' responsibilities

The half year report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half year 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 set of consolidated financial statements included in this half year 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 set of consolidated financial statements in the half year 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 set of consolidated financial statements in the half year report for the six months ended 30 June 2011 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
25 August 2011

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 half year report since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Consolidated Income Statement

	Notes	Six months ended 30 June 2011 Unaudited			Restated Six months ended 30 June 2010 Unaudited		
		Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
Revenue	2	251.3	–	251.3	193.3	–	193.3
Cost of sales		(182.2)	–	(182.2)	(139.8)	(5.6)	(145.4)
Gross profit		69.1	–	69.1	53.5	(5.6)	47.9
Other operating income		1.3	–	1.3	2.0	–	2.0
Operating expenses		(47.4)	(0.9)	(48.3)	(36.7)	(1.6)	(38.3)
Profit from continuing operations	2	23.0	(0.9)	22.1	18.8	(7.2)	11.6
Finance income		1.5	–	1.5	2.0	–	2.0
Finance expense		(1.9)	–	(1.9)	(1.3)	–	(1.3)
Share of associates' post-tax profits		0.4	–	0.4	0.4	–	0.4
Profit before tax from continuing operations		23.0	(0.9)	22.1	19.9	(7.2)	12.7
Taxation	5	(6.9)	0.1	(6.8)	(6.3)	2.1	(4.2)
Profit for the period:							
From continuing operations		16.1	(0.8)	15.3	13.6	(5.1)	8.5
From discontinued operations	6	(0.6)	52.3	51.7	2.4	(3.9)	(1.5)
Profit for the period		**15.5**	**51.5**	**67.0**	**16.0**	**(9.0)**	**7.0**
Profit attributable to:							
Owners of the parent		14.3	51.5	65.8	14.7	(9.0)	5.7
Non-controlling interests		1.2	–	1.2	1.3	–	1.3
		15.5	**51.5**	**67.0**	**16.0**	**(9.0)**	**7.0**
Earnings (loss) per share							
Basic – from continuing operations	7			10.7p			5.5p
– from discontinued operations	7			39.2p			(1.2)p
Group total				**49.9p**			**4.3p**
Diluted – from continuing operations	7			10.5p			5.4p
– from discontinued operations	7			38.4p			(1.2)p
Group total				**48.9p**			**4.2p**

Field Aviation's results for the six months ended 30 June 2010 have been re-presented as discontinued operations.

Consolidated Income Statement continued

	Notes	Restated Year ended 31 December 2010 Before exceptional items £m	Exceptional items £m	Total £m
Revenue	2	423.3	–	423.3
Cost of sales		(305.6)	(8.4)	(314.0)
Gross profit		117.7	(8.4)	109.3
Other operating income		3.5	–	3.5
Operating expenses		(78.7)	(3.1)	(81.8)
Profit from continuing operations	2	42.5	(11.5)	31.0
Finance income		3.8	–	3.8
Finance expense		(2.8)	–	(2.8)
Share of associates' post-tax profits		1.0	–	1.0
Profit before tax from continuing operations		44.5	(11.5)	33.0
Taxation	5	(13.4)	3.5	(9.9)
Profit for the year:				
From continuing operations		31.1	(8.0)	23.1
From discontinued operations	6	5.8	(4.6)	1.2
Profit for the year		**36.9**	**(12.6)**	**24.3**
Profit attributable to:				
Owners of the parent		34.4	(12.6)	21.8
Non-controlling interests		2.5	–	2.5
		36.9	**(12.6)**	**24.3**
Earnings per share				
Basic – from continuing operations	7			15.6p
– from discontinued operations	7			1.0p
Group total				**16.6p**
Diluted – from continuing operations	7			15.4p
– from discontinued operations	7			0.9p
Group total				**16.3p**

Field Aviation's results for the year ended 31 December 2010 have been re-presented as discontinued operations.

Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 June 2011 £m	Unaudited Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Profit for the period	67.0	7.0	24.3
Other comprehensive income after tax:			
Exchange adjustments	(4.8)	11.5	7.2
Fair value gains and losses:			
– gain on available for sale financial investment arising during the period	35.2	1.8	15.3
– gains transferred to income statement on redemption of available for sale financial investment	(53.1)	–	–
– gains originating on cash flow hedges arising during the period	0.3	–	0.5
– (gains) losses transferred to income statement on disposal of cash flow hedges	(0.4)	0.1	(0.1)
Actuarial gains (losses) on defined benefit pension schemes	0.1	–	(2.0)
Other comprehensive (expense) income after tax	(22.7)	13.4	20.9
Total comprehensive income for the period	**44.3**	**20.4**	**45.2**
Total comprehensive income attributable to:			
Owners of the parent	42.3	19.2	42.8
Non-controlling interests	2.0	1.2	2.4
	44.3	**20.4**	**45.2**

Consolidated Balance Sheet

	Notes	Unaudited At 30 June 2011 £m	Unaudited At 30 June 2010 £m	At 31 December 2010 £m
ASSETS				
Non-current assets				
Property, plant and equipment		160.4	133.1	154.1
Goodwill		98.8	57.7	100.3
Other intangible assets		19.4	4.0	22.6
Investments in associates		12.9	12.6	13.0
Available for sale financial investments	9	0.2	31.7	45.1
Retirement benefit assets		6.2	8.2	5.5
Trade and other receivables		1.5	3.7	3.6
Deferred tax assets		6.7	4.7	8.6
		306.1	255.7	352.8
Current assets				
Inventories		139.0	107.3	130.7
Trade and other receivables		100.9	88.3	104.3
Investments		2.5	–	2.5
Cash and cash equivalents		364.0	354.2	268.7
Assets classified as held for sale	10	11.2	–	–
		617.6	549.8	506.2
LIABILITIES				
Current liabilities				
Trade and other payables		115.2	89.0	106.2
Current tax liabilities		21.9	14.0	17.5
Borrowings		68.7	38.2	56.7
Provisions		40.3	50.9	39.8
Liabilities classified as held for sale	10	5.6	–	–
		251.7	192.1	220.2
Net current assets		365.9	357.7	286.0
Non-current liabilities				
Borrowings		2.2	1.9	2.3
Deferred tax liabilities		25.0	19.3	25.6
Other payables		–	1.9	–
Provisions		15.2	16.5	16.3
		42.4	39.6	44.2
Net assets		**629.6**	**573.8**	**594.6**
Equity attributable to owners of the parent				
Share capital		33.3	33.1	33.1
Share premium		86.9	90.2	85.8
Other components of equity		29.7	42.4	52.2
Retained earnings		463.5	393.6	409.3
		613.4	559.3	580.4
Non-controlling interests		16.2	14.5	14.2
Total equity		**629.6**	**573.8**	**594.6**

Consolidated Statement of Changes in Equity

	Six months ended 30 June 2011 Unaudited						
	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	**33.1**	**85.8**	**52.2**	**409.3**	**580.4**	**14.2**	**594.6**
Comprehensive income							
Profit for the period	–	–	–	65.8	65.8	1.2	67.0
Other comprehensive income							
Exchange adjustments	–	–	(5.6)	–	(5.6)	0.8	(4.8)
Fair value gains and losses:							
– gain on available for sale financial investment arising during the period	–	–	35.2	–	35.2	–	35.2
– gains transferred to income statement on redemption of available for sale financial investment	–	–	(53.1)	–	(53.1)	–	(53.1)
– gains originating on cash flow hedges arising during the period	–	–	0.3	–	0.3	–	0.3
– gains transferred to income statement on disposal of cash flow hedges	–	–	(0.4)	–	(0.4)	–	(0.4)
Actuarial gains on defined benefit pension schemes	–	–	–	0.1	0.1	–	0.1
Total other comprehensive income	–	–	(23.6)	0.1	(23.5)	0.8	(22.7)
Total comprehensive income	**–**	**–**	**(23.6)**	**65.9**	**42.3**	**2.0**	**44.3**
Transactions with owners							
Dividends	–	–	–	(11.0)	(11.0)	–	(11.0)
Shares issued							
– share option schemes and awards	0.2	1.1	–	–	1.3	–	1.3
Purchase of Treasury shares	–	–	–	(1.1)	(1.1)	–	(1.1)
Disposal of Treasury shares	–	–	–	0.2	0.2	–	0.2
Share options and awards							
– value of employee services	–	–	1.3	–	1.3	–	1.3
– discharge	–	–	(0.2)	0.2	–	–	–
Total transactions with owners	**0.2**	**1.1**	**1.1**	**(11.7)**	**(9.3)**	**–**	**(9.3)**
At 30 June	**33.3**	**86.9**	**29.7**	**463.5**	**613.4**	**16.2**	**629.6**

Consolidated Statement of Changes in Equity continued

	Six months ended 30 June 2010 Unaudited						
	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	**33.1**	**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 investment 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	**–**	**–**	**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 and awards							
– 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

	Year ended 31 December 2010						
	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	**33.1**	**90.2**	**28.0**	**397.2**	**548.5**	**13.3**	**561.8**
Comprehensive income							
Profit for the year	–	–	–	21.8	21.8	2.5	24.3
Other comprehensive income							
Exchange adjustments	–	–	7.3	–	7.3	(0.1)	7.2
Fair value gains and losses:							
– gain on available for sale financial investment arising during the year	–	–	15.3	–	15.3	–	15.3
– gains originating on cash flow hedges arising during the year	–	–	0.5	–	0.5	–	0.5
– gains transferred to income statement on disposal of cash flow hedges	–	–	(0.1)	–	(0.1)	–	(0.1)
Actuarial losses on defined benefit pension schemes	–	–	–	(2.0)	(2.0)	–	(2.0)
Total other comprehensive income	–	–	23.0	(2.0)	21.0	(0.1)	20.9
Total comprehensive income	**–**	**–**	**23.0**	**19.8**	**42.8**	**2.4**	**45.2**
Transactions with owners							
Dividends	–	–	–	(14.1)	(14.1)	(1.5)	(15.6)
Shares issued							
– share option schemes and awards	–	0.7	–	–	0.7	–	0.7
Purchase of Treasury shares	–	–	–	(0.4)	(0.4)	–	(0.4)
Disposal of Treasury shares	–	–	–	0.2	0.2	–	0.2
– taxation	–	–	–	0.1	0.1	–	0.1
Share options and awards							
– value of employee services	–	–	1.6	–	1.6	–	1.6
– taxation	–	–	–	1.0	1.0	–	1.0
– discharge	–	–	(0.4)	0.4	–	–	–
Transfer between reserves	–	(5.1)	–	5.1	–	–	–
Total transactions with owners	**–**	**(4.4)**	**1.2**	**(7.7)**	**(10.9)**	**(1.5)**	**(12.4)**
At 31 December	**33.1**	**85.8**	**52.2**	**409.3**	**580.4**	**14.2**	**594.6**

Consolidated Statement of Cash Flows

	Notes	Six months ended 30 June 2011 Unaudited £m	Restated Six months ended 30 June 2010 Unaudited £m	Restated Year ended 31 December 2010 £m
Operating activities				
Continuing operations:				
Profit from operations		22.1	11.6	31.0
Depreciation, amortisation and impairment		12.5	14.3	28.5
Loss on disposal of property, plant and equipment		0.8	0.3	1.7
Proceeds from disposal of property, plant and equipment held for rental		1.1	0.7	1.8
Purchase of property, plant and equipment held for rental		(9.0)	(2.5)	(10.1)
(Increase) decrease in inventories		(12.7)	12.9	(2.8)
Increase in receivables		(0.4)	(24.2)	(33.6)
Increase (decrease) in payables		4.1	(19.0)	(2.5)
Decrease in provisions		(0.7)	(1.4)	(3.6)
Taxation paid		(6.4)	(0.9)	(3.2)
Other non-cash flow items		0.6	1.0	1.5
Discontinued operations		–	(5.5)	(5.6)
Net cash inflow (outflow) from operating activities		12.0	(12.7)	3.1
Investing activities				
Continuing operations:				
Interest received		1.4	1.4	3.1
Dividends received from associates		0.1	–	0.2
Purchase of subsidiaries		–	(0.7)	(81.1)
Net cash acquired with subsidiaries		–	–	0.7
Indemnity payments in respect of disposed subsidiaries		–	(14.3)	(25.2)
Proceeds from disposal of subsidiaries	6	85.3	–	–
Loans from associates		–	0.4	0.4
Loans from associates repaid		(1.1)	–	(0.2)
Proceeds from disposal of property, plant and equipment		0.2	–	1.0
Purchase of property, plant and equipment		(12.8)	(16.1)	(38.9)
Purchase of intangible assets		(0.1)	–	(0.2)
Purchase of bank deposit investments		–	–	(2.5)
Discontinued operations		0.1	(0.3)	(0.3)
Net cash inflow (outflow) from investing activities		73.1	(29.6)	(143.0)
Financing activities				
Continuing operations:				
Interest paid		(1.7)	(1.0)	(1.5)
Equity dividends paid		–	(9.2)	(14.1)
Non-controlling interest dividend paid		–	–	(1.5)
Share capital issued		1.3	–	0.7
Purchase of treasury shares		(1.1)	(0.1)	(0.4)
Disposal of treasury shares		–	0.1	0.2
Capital element of finance leases		–	(0.2)	(0.2)
Proceeds from new borrowings		2.8	1.3	1.7
Discontinued operations		–	–	(0.1)
Net cash inflow (outflow) from financing activities		1.3	(9.1)	(15.2)
Net cash inflow (outflow) in cash and cash equivalents		86.4	(51.4)	(155.1)
Cash and cash equivalents at the beginning of period		212.0	365.8	365.8
Effect of foreign exchange rates		1.3	1.6	1.3
Reclassified as held for sale	10	(1.5)	–	–
Cash and cash equivalents at end of period		**298.2**	**316.0**	**212.0**
Cash and cash equivalents at the end of the period comprise:				
Cash and cash equivalents		364.0	354.2	268.7
Bank overdrafts included in borrowings		(65.8)	(38.2)	(56.7)
		298.2	**316.0**	**212.0**

Field Aviation's cash flows for the six months ended 30 June 2010 and the year ended 31 December 2010 have been re-presented as discontinued operations.

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 set of consolidated financial statements should be read in conjunction with the 2010 Annual Report and Accounts, which has been prepared in accordance with IFRSs and IFRICs as adopted by the European Union. The accounting policies adopted in this condensed set of consolidated financial statements are consistent with those used to prepare the 2010 Annual Report and Accounts, except for the adoption of new standards and interpretations, noted below. In preparing the condensed set of consolidated financial statements, comparative amounts for the six months to 30 June 2010 and the year ended 31 December 2010 have been restated to reflect Field Aviation as a discontinued operation.

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 2010 has been delivered to the Registrar of Companies. The independent 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 condensed set of consolidated financial statements has been reviewed, not audited.

Going concern basis

The Group has considerable financial resources, together with a broad range of products and services and a diverse, global customer and supplier base. The Group meets its day-to-day working capital requirements through its cash and debt facility. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the impact of future acquisitions, as discussed in note 14, show that the Group is well placed to manage its business successfully in the current economic climate. The Directors, having made appropriate enquiries, are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its condensed set of consolidated financial statements.

Adoption of new standards, amendments and interpretations

The following new standards, amendments and interpretations have been adopted for the six months ended 30 June 2011:

- IAS 24 (revised) *Related Party Disclosures*
- Amendment to IAS 32 *Financial Instruments: Presentation* – Classification of Rights Issues
- Amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Improvements to IFRSs – May 2010

Although the adoption of these standards, amendments and interpretations represents a change in accounting policy, comparative figures for 2010 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 the reports used by the Chief Executive to make strategic decisions. 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 basis of measurement of segment profit or loss since the year ended 31 December 2010. Field Aviation has been presented as a discontinued operation and its results have been restated to exclude central costs previously allocated to the division. All central costs have been allocated to continuing operations.

Notes continued

2. Segmental Reporting continued

Results from operations

	Six months ended 30 June 2011					
	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	80.5	(2.7)	77.8	6.8	–	6.8
Well Completion	137.0	(5.8)	131.2	11.2	–	11.2
Well Intervention	26.0	–	26.0	3.8	–	3.8
Exploration and Production	4.7	–	4.7	1.5	–	1.5
	248.2	**(8.5)**	**239.7**	**23.3**	**–**	**23.3**
Gibson Shipbrokers	11.6	–	11.6	(0.3)	–	(0.3)
Total from continuing operations	**259.8**	**(8.5)**	**251.3**	**23.0**	**–**	**23.0**
Exceptional items not apportioned to business segments				–	(0.9)	(0.9)
Profit from continuing operations				**23.0**	**(0.9)**	**22.1**
Net finance expense				(0.4)	–	(0.4)
Share of associates' post-tax profits				0.4	–	0.4
Profit before tax from continuing operations				**23.0**	**(0.9)**	**22.1**
Discontinued operations:						
Gibson Energy	–	–	–	–	57.4	57.4
Hunting Energy France	–	–	–	–	0.1	0.1
Field Aviation	10.3	–	10.3	(1.0)	–	(1.0)
Total from discontinued operations	**10.3**	**–**	**10.3**	**(1.0)**	**57.5**	**56.5**
Net finance income				0.1	–	0.1
Taxation				0.3	(5.2)	(4.9)
(Loss) profit from discontinued operations				**(0.6)**	**52.3**	**51.7**

Notes continued

2. Segmental Reporting continued

	Restated 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**
Gibson Shipbrokers	11.3	–	11.3	0.4	–	0.4
Total from continuing operations	**201.7**	**(8.4)**	**193.3**	**18.8**	**(5.6)**	**13.2**
Exceptional items not apportioned to business segments				–	(1.6)	(1.6)
Profit from continuing operations				**18.8**	**(7.2)**	**11.6**
Net finance income				0.7	–	0.7
Share of associates' post-tax profits				0.4	–	0.4
Profit before tax from continuing operations				**19.9**	**(7.2)**	**12.7**
Discontinued operations:						
Gibson Energy	–	–	–	–	(3.9)	(3.9)
Field Aviation	20.9	–	20.9	3.2	–	3.2
Total from discontinued operations	**20.9**	**–**	**20.9**	**3.2**	**(3.9)**	**(0.7)**
Net finance income				0.1	–	0.1
Taxation				(0.9)	–	(0.9)
Profit (loss) from discontinued operations				**2.4**	**(3.9)**	**(1.5)**

Field Aviation's results for the six months ended 30 June 2010 have been re-presented as discontinued operations.

Notes continued

2. Segmental Reporting continued

	Restated Year ended 31 December 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	116.5	(5.2)	111.3	8.0	–	8.0
Well Completion	229.6	(5.4)	224.2	23.1	–	23.1
Well Intervention	58.8	(0.1)	58.7	9.3	–	9.3
Exploration and Production	6.5	–	6.5	1.3	(8.4)	(7.1)
	411.4	**(10.7)**	**400.7**	**41.7**	**(8.4)**	**33.3**
Gibson Shipbrokers	22.6	–	22.6	0.8	–	0.8
Total from continuing operations	**434.0**	**(10.7)**	**423.3**	**42.5**	**(8.4)**	**34.1**
Exceptional items not apportioned to business segments				–	(3.1)	(3.1)
Profit from continuing operations				**42.5**	**(11.5)**	**31.0**
Net finance income				1.0	–	1.0
Share of associates' post-tax profits				1.0	–	1.0
Profit before tax from continuing operations				**44.5**	**(11.5)**	**33.0**
Discontinued operations:						
Gibson Energy	–	–	–	–	(4.5)	(4.5)
Hunting Energy France	–	–	–	–	(0.1)	(0.1)
Field Aviation	38.3	–	38.3	5.2	–	5.2
Total from discontinued operations	**38.3**	**–**	**38.3**	**5.2**	**(4.6)**	**0.6**
Net finance income				0.3	–	0.3
Taxation				0.3	–	0.3
Profit (loss) from discontinued operations				**5.8**	**(4.6)**	**1.2**

Field Aviation's results for the year ended 31 December 2010 have been re-presented as discontinued operations.

Notes continued

3. EBITDA
Pre-exceptional earnings before interest, tax, depreciation and amortisation ("EBITDA") comprises:

	Six months ended 30 June 2011 £m	Restated Six months ended 30 June 2010 £m	Restated Year ended 31 December 2010 £m
Profit from continuing operations	22.1	11.6	31.0
Add: exceptional charges excluding impairment and dry hole costs	0.9	1.6	3.1
Add: depreciation, amortisation and impairment	12.5	14.3	28.5
	35.5	27.5	62.6

4. Exceptional Items

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Exceptional items from continuing operations comprise:			
Impairment of property, plant and equipment	–	2.7	5.3
Dry hole costs	–	2.9	3.1
Acquisition costs	0.6	1.6	3.1
Property provisions	0.3	(0.2)	0.1
Other exceptional charges (credits)	–	0.2	(0.1)
Continuing operations	**0.9**	7.2	11.5

5. Taxation
The taxation charge for the six months ended 30 June 2011 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 ending 31 December 2011 for continuing operations is 30% and has been used for the six months ended 30 June 2011 (six months ended 30 June 2010 – 32%; year ended 31 December 2010 – 30%).

Included in the income statement are tax credits of £0.1m in respect of exceptional items from continuing operations (six months ended 30 June 2010 – £2.1m; year ended 31 December 2010 – £3.5m).

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. As part of the March 2011 Budget Statement, the main rate of corporation tax has been further reduced to 26% from 1 April 2011. The impact of this change will be recognised in the period in which the Finance Act 2011 is substantively enacted, which is the year ending 31 December 2011, following the Finance Bill 2011 receiving royal assent on 19 July 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. The changes are not expected to have a material impact on the Group's deferred tax balances.

Notes continued

6. Discontinued Operations

The Group has classified Field Aviation as held for sale at 30 June 2011 as sale negotiations were at an advanced stage such that it is highly probable that the company will be sold within 12 months of the balance sheet date. Field Aviation is considered to be a major operation of Hunting and as such its results have been presented as a discontinued operation.

The sale of Gibson Energy Inc., Hunting's midstream services operation, 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 following:

	Six months ended 30 June 2011			
	Field Aviation £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	10.3	–	–	10.3
Cost of sales	(10.5)	–	–	(10.5)
Gross loss	(0.2)	–	–	(0.2)
Other operating income	1.2	–	–	1.2
Operating expenses	(2.0)	–	–	(2.0)
Loss from operations	(1.0)	–	–	(1.0)
Finance income	0.1	–	–	0.1
Loss before tax	(0.9)	–	–	(0.9)
Taxation	0.3	–	–	0.3
Loss for the period	**(0.6)**	**–**	**–**	**(0.6)**
Gain on disposal:				
Gain on sale before tax	–	0.1	57.4	57.5
Tax on gain	–	–	(5.2)	(5.2)
Gain on sale after tax	**–**	**0.1**	**52.2**	**52.3**
Total (loss) profit from discontinued operations	**(0.6)**	**0.1**	**52.2**	**51.7**

Additional provisions, together with foreign exchange losses, of £0.9m have been recognised on the Canadian dollar denominated tax indemnities given in respect of our former Canadian business, Gibson Energy.

On 15 June 2011, Gibson Energy Inc. redeemed in full the equity warrant issued to Hunting on 12 December 2008. On completion of the sale of Gibson Energy, Hunting agreed to defer payment of C$100m of the consideration in return for receipt of the warrant. Between 12 December 2008 and 12 December 2010, the warrant carried a cumulative and compounding annual dividend entitlement at a rate of 12%. Following the announcement to extend the maturity date of the warrant on 10 December 2010, the rate of dividend entitlement on the warrant increased to 13% from 13 December 2010. The total amount paid to Hunting was C$134.6m (£85.3m), which comprises the warrant value of C$100.0m (£63.4m) and the accrued dividend entitlement of C$34.6m (£21.9m). The pre-tax profit on redemption of the warrant is £58.3m. The tax charge of £5.2m relates to tax arising on the profit on redemption of the warrant.

Foreign exchange gains of £0.1m have been recognised in respect of the Euro denominated bond received on the disposal of Hunting Energy France in 2009. The bond was repaid in full on 28 June 2011.

Notes continued

6. Discontinued Operations continued

	Six months ended 30 June 2010		
	Field Aviation £m	Gibson Energy £m	Total £m
Trading results:			
Revenue	20.9	–	20.9
Cost of sales	(13.7)	–	(13.7)
Gross profit	7.2	–	7.2
Other operating income	0.9	–	0.9
Operating expenses	(4.9)	–	(4.9)
Profit from operations	3.2	–	3.2
Finance income	0.1	–	0.1
Profit before tax	3.3	–	3.3
Taxation	(0.9)	–	(0.9)
Profit for the period	**2.4**	**–**	**2.4**
Loss on disposal:			
Loss on sale before tax	–	(3.9)	(3.9)
Tax on loss	–	–	–
Loss on sale after tax	**–**	**(3.9)**	**(3.9)**
Total profit (loss) from discontinued operations	**2.4**	**(3.9)**	**(1.5)**

	Year ended 31 December 2010			
	Field Aviation £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	38.3	–	–	38.3
Cost of sales	(30.7)	–	–	(30.7)
Gross profit	7.6	–	–	7.6
Other operating income	1.9	–	–	1.9
Operating expenses	(4.3)	–	–	(4.3)
Profit from operations	5.2	–	–	5.2
Finance income	0.4	–	–	0.4
Finance expense	(0.1)	–	–	(0.1)
Profit before tax	5.5	–	–	5.5
Taxation	(1.6)	–	1.9	0.3
Profit for the year	**3.9**	**–**	**1.9**	**5.8**
Loss on disposal:				
Loss on sale before tax	–	(0.1)	(4.5)	(4.6)
Tax on loss	–	–	–	–
Loss on sale after tax	**–**	**(0.1)**	**(4.5)**	**(4.6)**
Total profit (loss) from discontinued operations	**3.9**	**(0.1)**	**(2.6)**	**1.2**

Notes continued

7. 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 2011 £m	Restated Six months ended 30 June 2010 £m	Restated Year ended 31 December 2010 £m
Basic and diluted earnings (loss) attributable to Ordinary shareholders:			
From continuing operations	14.1	7.2	20.6
From discontinued operations	51.7	(1.5)	1.2
Total	**65.8**	**5.7**	**21.8**
Basic and diluted earnings attributable to Ordinary shareholders before exceptional items:			
From continuing operations	14.1	7.2	20.6
Add: exceptional items after taxation	0.8	5.1	8.0
Total	**14.9**	**12.3**	**28.6**
	millions	millions	millions
Basic weighted average number of Ordinary shares	131.9	131.2	131.3
Dilutive outstanding share options	1.5	1.7	1.8
Long term incentive plans	1.3	1.0	0.9
Adjusted weighted average number of Ordinary shares	**134.7**	**133.9**	**134.0**
	pence	pence	pence
Basic EPS:			
From continuing operations	10.7	5.5	15.6
From discontinued operations	39.2	(1.2)	1.0
	49.9	**4.3**	**16.6**
Diluted EPS:			
From continuing operations	10.5	5.4	15.4
From discontinued operations	38.4	(1.2)	0.9
	48.9	**4.2**	**16.3**
	pence	pence	pence
Earnings per share adjusted for exceptional items:			
Basic EPS from continuing operations	10.7	5.5	15.6
Add: exceptional items after taxation	0.6	3.9	6.1
Basic EPS from continuing operations before exceptional items	**11.3**	**9.4**	**21.7**
Diluted EPS from continuing operations	10.5	5.4	15.4
Add: exceptional items after taxation	0.6	3.8	5.9
Diluted EPS from continuing operations before exceptional items	**11.1**	**9.2**	**21.3**

Notes continued

8. Property, Plant and Equipment

During 2011, the net book value of property, plant and equipment increased from £154.1m to £160.4m due to additions of £22.6m, offset by foreign exchange losses of £2.2m, disposals of £2.1m, depreciation of £9.9m and the reclassification of Field Aviation's property, plant and equipment of £2.1m as assets held for sale.

Additions include £4.9m for freehold land and buildings, £0.8m for oil and gas exploration and development and £16.9m for plant, machinery and motor vehicles.

Equipment with a carrying value of £2.1m was disposed of during the period.

9. Available for Sale Financial Investments

On 15 June 2011, the equity warrant, which formed part of the consideration for the disposal of Gibson Energy, was redeemed in full.

	£m
At 1 January 2011	45.1
Fair value gain transferred to equity	40.4
Redemption of warrant	(85.3)
At 30 June 2011	**0.2**

10. Assets Held for Sale

The assets and liabilities of Field Aviation have been presented as held for sale at 30 June 2011 as sale negotiations were at an advanced stage such that it is highly probable that the company will be sold within 12 months of the balance sheet date. Field Aviation's assets and liabilities are a disposal group and the business is considered to be a discontinued operation at 30 June 2011, as it represents a major line of business. The disposal of this business will enable Hunting to focus on its core operations.

Field Aviation's assets and liabilities are carried at the lower of carrying amount and fair value less costs to sell at the date of held-for-sale classification. The carrying values of Field Aviation's assets and liabilities at 30 June 2011 are:

	At 30 June 2011 £m
Assets classified as held for sale	
Property, plant and equipment	2.1
Deferred tax assets	0.2
Inventories	3.3
Trade and other receivables	3.4
Cash and cash equivalents	1.5
Current tax assets	0.7
	11.2
Liabilities classified as held for sale	
Trade and other payables	5.2
Provisions	0.3
Deferred tax liabilities	0.1
	5.6

Notes continued

11. Dividends Paid

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Ordinary dividends:			
2010 interim – 3.7p	–	–	4.9
2009 second interim – 7.0p	–	9.2	9.2
	–	**9.2**	**14.1**

A final dividend for 2010 of 8.3p per share was paid on 1 July 2011, amounting to a distribution of £11.0m. A 2011 interim dividend of 4.0p per share, which will absorb an estimated £5.8m, has been approved by the Board for payment on 18 November 2011.

12. Changes in Net Cash

	At 1 January 2011 £m	Cash flow £m	Exchange movements £m	Reclassify as held for sale £m	At 30 June 2011 £m
Cash and cash equivalents	268.7	96.8	–	(1.5)	**364.0**
Bank overdrafts	(56.7)	(10.4)	1.3	–	**(65.8)**
	212.0	86.4	1.3	(1.5)	**298.2**
Investments	2.5	–	–	–	**2.5**
Current borrowings	–	(2.8)	(0.1)	–	**(2.9)**
Non-current borrowings	(2.3)	–	0.1	–	**(2.2)**
Cash classified as held for sale	–	–	–	1.5	**1.5**
Net cash	212.2	83.6	1.3	–	**297.1**

13. Capital Commitments

Group capital expenditure committed to the purchase of property, plant and equipment, but not provided for in the six months ended 30 June 2011 amounted to £20.7m (at 30 June 2010 – £22.0m; at 31 December 2010 – £18.3m).

14. Post Balance Sheet Events

On 5 August 2011, the Group announced its intention to acquire 100% of the share capital of TSI Acquisition Holdings LLC and its subsidiaries ("Titan") for US$775.0m (£475.5m), subject to adjustments. Titan is a leading provider of perforating gun systems, shaped charges, well logging instrumentation, perforating gun switches and other engineered hardware used throughout the drilling, completion and maintenance of a well. The acquisition is subject to, inter alia, regulatory approvals and the approval of Hunting's shareholders at a general meeting scheduled to take place on 15 September 2011.

On 5 August 2011, Hunting announced the placing of 13,175,838 new Ordinary shares at a placing price of 648p, representing approximately 9.9% of Hunting's existing issued Ordinary share capital. The net proceeds from the placing of £83.5m will be used to fund, in part, the proposed acquisition of Titan.

A new bank facility agreement was signed on 5 August 2011. The five-year, multi-currency bank facility of £375 million is conditional on the acquisition of Titan completing and will replace Hunting's existing £120 million facility on completion.

On 12 August 2011, Hunting announced the acquisition of 100% of the share capital of Dearborn Precision Tubular Products, Inc. ("Dearborn"), a company that provides specialist precision machining services for a total cash consideration of US$83.5m (£51.1m). Dearborn manufactures high precision tubular and rotating metal components for customers who require products with exacting tolerances and unique configurations. The components are used primarily for MWD/LWD* applications in the oil and gas sector, in addition to products for the aerospace and power generation industries. The business will contribute to Hunting's Well Construction range of products and services.

*measurement-while-drilling/logging-while-drilling

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 set of consolidated financial statements should be read in conjunction with the 2010 Annual Report and Accounts, which has been prepared in accordance with IFRSs and IFRICs as adopted by the European Union. The accounting policies adopted in this condensed set of consolidated financial statements are consistent with those used to prepare the 2010 Annual Report and Accounts, except for the adoption of new standards and interpretations, noted below. In preparing the condensed set of consolidated financial statements, comparative amounts for the six months to 30 June 2010 and the year ended 31 December 2010 have been restated to reflect Field Aviation as a discontinued operation.

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 2010 has been delivered to the Registrar of Companies. The independent 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 condensed set of consolidated financial statements has been reviewed, not audited.

Going concern basis

The Group has considerable financial resources, together with a broad range of products and services and a diverse, global customer and supplier base. The Group meets its day-to-day working capital requirements through its cash and debt facility. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the impact of future acquisitions, as discussed in note 14, show that the Group is well placed to manage its business successfully in the current economic climate. The Directors, having made appropriate enquiries, are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its condensed set of consolidated financial statements.

Adoption of new standards, amendments and interpretations

The following new standards, amendments and interpretations have been adopted for the six months ended 30 June 2011:

- IAS 24 (revised) *Related Party Disclosures*
- Amendment to IAS 32 *Financial Instruments: Presentation* – Classification of Rights Issues
- Amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Improvements to IFRSs – May 2010

Although the adoption of these standards, amendments and interpretations represents a change in accounting policy, comparative figures for 2010 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 the reports used by the Chief Executive to make strategic decisions. 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 basis of measurement of segment profit or loss since the year ended 31 December 2010. Field Aviation has been presented as a discontinued operation and its results have been restated to exclude central costs previously allocated to the division. All central costs have been allocated to continuing operations.

Notes continued

2. Segmental Reporting continued

Results from operations

	Six months ended 30 June 2011					
	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	80.5	(2.7)	77.8	6.8	–	6.8
Well Completion	137.0	(5.8)	131.2	11.2	–	11.2
Well Intervention	26.0	–	26.0	3.8	–	3.8
Exploration and Production	4.7	–	4.7	1.5	–	1.5
	248.2	**(8.5)**	**239.7**	**23.3**	**–**	**23.3**
Gibson Shipbrokers	11.6	–	11.6	(0.3)	–	(0.3)
Total from continuing operations	**259.8**	**(8.5)**	**251.3**	**23.0**	**–**	**23.0**
Exceptional items not apportioned to business segments				–	(0.9)	(0.9)
Profit from continuing operations				**23.0**	**(0.9)**	**22.1**
Net finance expense				(0.4)	–	(0.4)
Share of associates' post-tax profits				0.4	–	0.4
Profit before tax from continuing operations				**23.0**	**(0.9)**	**22.1**
Discontinued operations:						
Gibson Energy	–	–	–	–	57.4	57.4
Hunting Energy France	–	–	–	–	0.1	0.1
Field Aviation	10.3	–	10.3	(1.0)	–	(1.0)
Total from discontinued operations	**10.3**	**–**	**10.3**	**(1.0)**	**57.5**	**56.5**
Net finance income				0.1	–	0.1
Taxation				0.3	(5.2)	(4.9)
(Loss) profit from discontinued operations				**(0.6)**	**52.3**	**51.7**

Notes continued

2. Segmental Reporting continued

	Restated 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**
Gibson Shipbrokers	11.3	–	11.3	0.4	–	0.4
Total from continuing operations	**201.7**	**(8.4)**	**193.3**	**18.8**	**(5.6)**	**13.2**
Exceptional items not apportioned to business segments				–	(1.6)	(1.6)
Profit from continuing operations				**18.8**	**(7.2)**	**11.6**
Net finance income				0.7	–	0.7
Share of associates' post-tax profits				0.4	–	0.4
Profit before tax from continuing operations				**19.9**	**(7.2)**	**12.7**
Discontinued operations:						
Gibson Energy	–	–	–	–	(3.9)	(3.9)
Field Aviation	20.9	–	20.9	3.2	–	3.2
Total from discontinued operations	**20.9**	**–**	**20.9**	**3.2**	**(3.9)**	**(0.7)**
Net finance income				0.1	–	0.1
Taxation				(0.9)	–	(0.9)
Profit (loss) from discontinued operations				**2.4**	**(3.9)**	**(1.5)**

Field Aviation's results for the six months ended 30 June 2010 have been re-presented as discontinued operations.

Notes continued

2. Segmental Reporting continued

	Restated Year ended 31 December 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	116.5	(5.2)	111.3	8.0	–	8.0
Well Completion	229.6	(5.4)	224.2	23.1	–	23.1
Well Intervention	58.8	(0.1)	58.7	9.3	–	9.3
Exploration and Production	6.5	–	6.5	1.3	(8.4)	(7.1)
	411.4	**(10.7)**	**400.7**	**41.7**	**(8.4)**	**33.3**
Gibson Shipbrokers	22.6	–	22.6	0.8	–	0.8
Total from continuing operations	**434.0**	**(10.7)**	**423.3**	**42.5**	**(8.4)**	**34.1**
Exceptional items not apportioned to business segments				–	(3.1)	(3.1)
Profit from continuing operations				**42.5**	**(11.5)**	**31.0**
Net finance income				1.0	–	1.0
Share of associates' post-tax profits				1.0	–	1.0
Profit before tax from continuing operations				**44.5**	**(11.5)**	**33.0**
Discontinued operations:						
Gibson Energy	–	–	–	–	(4.5)	(4.5)
Hunting Energy France	–	–	–	–	(0.1)	(0.1)
Field Aviation	38.3	–	38.3	5.2	–	5.2
Total from discontinued operations	**38.3**	**–**	**38.3**	**5.2**	**(4.6)**	**0.6**
Net finance income				0.3	–	0.3
Taxation				0.3	–	0.3
Profit (loss) from discontinued operations				**5.8**	**(4.6)**	**1.2**

Field Aviation's results for the year ended 31 December 2010 have been re-presented as discontinued operations.

Notes continued

3. EBITDA
Pre-exceptional earnings before interest, tax, depreciation and amortisation ("EBITDA") comprises:

	Six months ended 30 June 2011 £m	Restated Six months ended 30 June 2010 £m	Restated Year ended 31 December 2010 £m
Profit from continuing operations	22.1	11.6	31.0
Add: exceptional charges excluding impairment and dry hole costs	0.9	1.6	3.1
Add: depreciation, amortisation and impairment	12.5	14.3	28.5
	35.5	27.5	62.6

4. Exceptional Items

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Exceptional items from continuing operations comprise:			
Impairment of property, plant and equipment	–	2.7	5.3
Dry hole costs	–	2.9	3.1
Acquisition costs	0.6	1.6	3.1
Property provisions	0.3	(0.2)	0.1
Other exceptional charges (credits)	–	0.2	(0.1)
Continuing operations	**0.9**	7.2	11.5

5. Taxation
The taxation charge for the six months ended 30 June 2011 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 ending 31 December 2011 for continuing operations is 30% and has been used for the six months ended 30 June 2011 (six months ended 30 June 2010 – 32%; year ended 31 December 2010 – 30%).

Included in the income statement are tax credits of £0.1m in respect of exceptional items from continuing operations (six months ended 30 June 2010 – £2.1m; year ended 31 December 2010 – £3.5m).

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. As part of the March 2011 Budget Statement, the main rate of corporation tax has been further reduced to 26% from 1 April 2011. The impact of this change will be recognised in the period in which the Finance Act 2011 is substantively enacted, which is the year ending 31 December 2011, following the Finance Bill 2011 receiving royal assent on 19 July 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. The changes are not expected to have a material impact on the Group's deferred tax balances.

Notes continued

6. Discontinued Operations

The Group has classified Field Aviation as held for sale at 30 June 2011 as sale negotiations were at an advanced stage such that it is highly probable that the company will be sold within 12 months of the balance sheet date. Field Aviation is considered to be a major operation of Hunting and as such its results have been presented as a discontinued operation.

The sale of Gibson Energy Inc., Hunting's midstream services operation, 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 following:

	Six months ended 30 June 2011			
	Field Aviation £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	10.3	–	–	10.3
Cost of sales	(10.5)	–	–	(10.5)
Gross loss	(0.2)	–	–	(0.2)
Other operating income	1.2	–	–	1.2
Operating expenses	(2.0)	–	–	(2.0)
Loss from operations	(1.0)	–	–	(1.0)
Finance income	0.1	–	–	0.1
Loss before tax	(0.9)	–	–	(0.9)
Taxation	0.3	–	–	0.3
Loss for the period	**(0.6)**	**–**	**–**	**(0.6)**
Gain on disposal:				
Gain on sale before tax	–	0.1	57.4	57.5
Tax on gain	–	–	(5.2)	(5.2)
Gain on sale after tax	**–**	**0.1**	**52.2**	**52.3**
Total (loss) profit from discontinued operations	**(0.6)**	**0.1**	**52.2**	**51.7**

Additional provisions, together with foreign exchange losses, of £0.9m have been recognised on the Canadian dollar denominated tax indemnities given in respect of our former Canadian business, Gibson Energy.

On 15 June 2011, Gibson Energy Inc. redeemed in full the equity warrant issued to Hunting on 12 December 2008. On completion of the sale of Gibson Energy, Hunting agreed to defer payment of C$100m of the consideration in return for receipt of the warrant. Between 12 December 2008 and 12 December 2010, the warrant carried a cumulative and compounding annual dividend entitlement at a rate of 12%. Following the announcement to extend the maturity date of the warrant on 10 December 2010, the rate of dividend entitlement on the warrant increased to 13% from 13 December 2010. The total amount paid to Hunting was C$134.6m (£85.3m), which comprises the warrant value of C$100.0m (£63.4m) and the accrued dividend entitlement of C$34.6m (£21.9m). The pre-tax profit on redemption of the warrant is £58.3m. The tax charge of £5.2m relates to tax arising on the profit on redemption of the warrant.

Foreign exchange gains of £0.1m have been recognised in respect of the Euro denominated bond received on the disposal of Hunting Energy France in 2009. The bond was repaid in full on 28 June 2011.

Notes continued

6. Discontinued Operations continued

	Six months ended 30 June 2010		
	Field Aviation £m	Gibson Energy £m	Total £m
Trading results:			
Revenue	20.9	–	20.9
Cost of sales	(13.7)	–	(13.7)
Gross profit	7.2	–	7.2
Other operating income	0.9	–	0.9
Operating expenses	(4.9)	–	(4.9)
Profit from operations	3.2	–	3.2
Finance income	0.1	–	0.1
Profit before tax	3.3	–	3.3
Taxation	(0.9)	–	(0.9)
Profit for the period	**2.4**	**–**	**2.4**
Loss on disposal:			
Loss on sale before tax	–	(3.9)	(3.9)
Tax on loss	–	–	–
Loss on sale after tax	**–**	**(3.9)**	**(3.9)**
Total profit (loss) from discontinued operations	**2.4**	**(3.9)**	**(1.5)**

	Year ended 31 December 2010			
	Field Aviation £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	38.3	–	–	38.3
Cost of sales	(30.7)	–	–	(30.7)
Gross profit	7.6	–	–	7.6
Other operating income	1.9	–	–	1.9
Operating expenses	(4.3)	–	–	(4.3)
Profit from operations	5.2	–	–	5.2
Finance income	0.4	–	–	0.4
Finance expense	(0.1)	–	–	(0.1)
Profit before tax	5.5	–	–	5.5
Taxation	(1.6)	–	1.9	0.3
Profit for the year	**3.9**	**–**	**1.9**	**5.8**
Loss on disposal:				
Loss on sale before tax	–	(0.1)	(4.5)	(4.6)
Tax on loss	–	–	–	–
Loss on sale after tax	**–**	**(0.1)**	**(4.5)**	**(4.6)**
Total profit (loss) from discontinued operations	**3.9**	**(0.1)**	**(2.6)**	**1.2**

Notes continued

7. 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 2011 £m	Restated Six months ended 30 June 2010 £m	Restated Year ended 31 December 2010 £m
Basic and diluted earnings (loss) attributable to Ordinary shareholders:			
From continuing operations	14.1	7.2	20.6
From discontinued operations	51.7	(1.5)	1.2
Total	**65.8**	**5.7**	**21.8**
Basic and diluted earnings attributable to Ordinary shareholders before exceptional items:			
From continuing operations	14.1	7.2	20.6
Add: exceptional items after taxation	0.8	5.1	8.0
Total	**14.9**	**12.3**	**28.6**
	millions	millions	millions
Basic weighted average number of Ordinary shares	131.9	131.2	131.3
Dilutive outstanding share options	1.5	1.7	1.8
Long term incentive plans	1.3	1.0	0.9
Adjusted weighted average number of Ordinary shares	**134.7**	**133.9**	**134.0**
	pence	pence	pence
Basic EPS:			
From continuing operations	10.7	5.5	15.6
From discontinued operations	39.2	(1.2)	1.0
	49.9	**4.3**	**16.6**
Diluted EPS:			
From continuing operations	10.5	5.4	15.4
From discontinued operations	38.4	(1.2)	0.9
	48.9	**4.2**	**16.3**
	pence	pence	pence
Earnings per share adjusted for exceptional items:			
Basic EPS from continuing operations	10.7	5.5	15.6
Add: exceptional items after taxation	0.6	3.9	6.1
Basic EPS from continuing operations before exceptional items	**11.3**	**9.4**	**21.7**
Diluted EPS from continuing operations	10.5	5.4	15.4
Add: exceptional items after taxation	0.6	3.8	5.9
Diluted EPS from continuing operations before exceptional items	**11.1**	**9.2**	**21.3**

Notes continued

8. Property, Plant and Equipment

During 2011, the net book value of property, plant and equipment increased from £154.1m to £160.4m due to additions of £22.6m, offset by foreign exchange losses of £2.2m, disposals of £2.1m, depreciation of £9.9m and the reclassification of Field Aviation's property, plant and equipment of £2.1m as assets held for sale.

Additions include £4.9m for freehold land and buildings, £0.8m for oil and gas exploration and development and £16.9m for plant, machinery and motor vehicles.

Equipment with a carrying value of £2.1m was disposed of during the period.

9. Available for Sale Financial Investments

On 15 June 2011, the equity warrant, which formed part of the consideration for the disposal of Gibson Energy, was redeemed in full.

	£m
At 1 January 2011	45.1
Fair value gain transferred to equity	40.4
Redemption of warrant	(85.3)
At 30 June 2011	**0.2**

10. Assets Held for Sale

The assets and liabilities of Field Aviation have been presented as held for sale at 30 June 2011 as sale negotiations were at an advanced stage such that it is highly probable that the company will be sold within 12 months of the balance sheet date. Field Aviation's assets and liabilities are a disposal group and the business is considered to be a discontinued operation at 30 June 2011, as it represents a major line of business. The disposal of this business will enable Hunting to focus on its core operations.

Field Aviation's assets and liabilities are carried at the lower of carrying amount and fair value less costs to sell at the date of held-for-sale classification. The carrying values of Field Aviation's assets and liabilities at 30 June 2011 are:

	At 30 June 2011 £m
Assets classified as held for sale	
Property, plant and equipment	2.1
Deferred tax assets	0.2
Inventories	3.3
Trade and other receivables	3.4
Cash and cash equivalents	1.5
Current tax assets	0.7
	11.2
Liabilities classified as held for sale	
Trade and other payables	5.2
Provisions	0.3
Deferred tax liabilities	0.1
	5.6

Notes continued

11. Dividends Paid

	Six months ended 30 June 2011 £m	Six months ended 30 June 2010 £m	Year ended 31 December 2010 £m
Ordinary dividends:			
2010 interim – 3.7p	–	–	4.9
2009 second interim – 7.0p	–	9.2	9.2
	–	**9.2**	**14.1**

A final dividend for 2010 of 8.3p per share was paid on 1 July 2011, amounting to a distribution of £11.0m. A 2011 interim dividend of 4.0p per share, which will absorb an estimated £5.8m, has been approved by the Board for payment on 18 November 2011.

12. Changes in Net Cash

	At 1 January 2011 £m	Cash flow £m	Exchange movements £m	Reclassify as held for sale £m	At 30 June 2011 £m
Cash and cash equivalents	268.7	96.8	–	(1.5)	**364.0**
Bank overdrafts	(56.7)	(10.4)	1.3	–	**(65.8)**
	212.0	86.4	1.3	(1.5)	**298.2**
Investments	2.5	–	–	–	**2.5**
Current borrowings	–	(2.8)	(0.1)	–	**(2.9)**
Non-current borrowings	(2.3)	–	0.1	–	**(2.2)**
Cash classified as held for sale	–	–	–	1.5	**1.5**
Net cash	212.2	83.6	1.3	–	**297.1**

13. Capital Commitments

Group capital expenditure committed to the purchase of property, plant and equipment, but not provided for in the six months ended 30 June 2011 amounted to £20.7m (at 30 June 2010 – £22.0m; at 31 December 2010 – £18.3m).

14. Post Balance Sheet Events

On 5 August 2011, the Group announced its intention to acquire 100% of the share capital of TSI Acquisition Holdings LLC and its subsidiaries ("Titan") for US$775.0m (£475.5m), subject to adjustments. Titan is a leading provider of perforating gun systems, shaped charges, well logging instrumentation, perforating gun switches and other engineered hardware used throughout the drilling, completion and maintenance of a well. The acquisition is subject to, inter alia, regulatory approvals and the approval of Hunting's shareholders at a general meeting scheduled to take place on 15 September 2011.

On 5 August 2011, Hunting announced the placing of 13,175,838 new Ordinary shares at a placing price of 648p, representing approximately 9.9% of Hunting's existing issued Ordinary share capital. The net proceeds from the placing of £83.5m will be used to fund, in part, the proposed acquisition of Titan.

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On 12 August 2011, Hunting announced the acquisition of 100% of the share capital of Dearborn Precision Tubular Products, Inc. ("Dearborn"), a company that provides specialist precision machining services for a total cash consideration of US$83.5m (£51.1m). Dearborn manufactures high precision tubular and rotating metal components for customers who require products with exacting tolerances and unique configurations. The components are used primarily for MWD/LWD* applications in the oil and gas sector, in addition to products for the aerospace and power generation industries. The business will contribute to Hunting's Well Construction range of products and services.

*measurement-while-drilling/logging-while-drilling