

MAINTAINING CAPABILITY TO DELIVER

HALF YEAR REPORT 2016



- Results reflect the prevailing adverse global trading environment
- Focus remains on reducing the cost base but maintaining capability
- Headcount at end of July 2016, 2,145 representing a 46% reduction since December 2014
- Balance sheet in good order
 - Slowing capital spend
 - Reduction in working capital
 - Recovery of tax refunds
 - Reduced debt levels
- New banking terms agreed July 2016
 - Bank lending group unchanged
 - Facility reduced from \$350m to \$200m
 - Asset based covenants until June 2018

2016 Half Year Results Summary¹



	H1 2016 \$m	<i>Margin</i> %	H1 2015 \$m	<i>Margin</i> %
Revenue	228.4		463.6	
Gross profit	23.8	10	116.9	25
EBITDA ² (loss) profit	(29.5)	-13	44.1	10
(Loss) profit from operations	(50.8)		20.4	
Finance expense	(0.6)		(2.7)	
(Loss) profit before tax	(51.5)		17.7	
Effective tax rate	15%		28%	
Diluted EPS	(27.8)c		8.4c	
Interim dividend per share - declared	-		4.0c	

¹ Results are based on continuing operations before amortisation of acquired intangible assets and exceptional items.

² EBITDA is a non-GAAP measure that is defined in the "Non-GAAP measures" section of the Half Year Report.

Segmental Results¹



	H1 2016		H1 2015	
	Revenue	Results from Operations	Revenue	Results from Operations
	\$m	\$m	\$m	\$m
Hunting Energy Services				
Well Construction	51.3	(10.8)	125.5	2.8
Well Completion	149.1	(28.5)	277.8	15.5
Well Intervention	26.7	(9.9)	58.2	4.2
	227.1	(49.2)	461.5	22.5
Exploration & Production	1.3	(1.6)	2.1	(2.1)
	228.4	(50.8)	463.6	20.4

¹ Results are based on continuing operations before amortisation of acquired intangible assets and exceptional items.

Geographical Results¹



	H1 2016		H1 2015	
	Revenue	Results from Operations	Revenue	Results from Operations
	\$m	\$m	\$m	\$m
Hunting Energy Services				
USA	144.3	(20.5)	295.8	24.5
Canada	18.6	(3.0)	30.5	(3.4)
Europe	40.5	(13.5)	73.0	(0.1)
Asia Pacific	18.3	(7.5)	52.9	2.0
Middle East, Africa and Other	5.4	(4.7)	9.3	(0.5)
	227.1	(49.2)	461.5	22.5
Exploration and Production	1.3	(1.6)	2.1	(2.1)
	228.4	(50.8)	463.6	20.4

¹ Results are based on continuing operations before amortisation of acquired intangible assets and exceptional items.

Amortisation & Exceptional Items



	H1 2016 \$m	H1 2015 \$m
Amortisation of acquired intangible assets	17.4	19.4
Restructuring costs	3.9	-
European drill tools rental business impairment	2.9	-
UK Pension Scheme closure	2.0	-
Goodwill impairment	-	35.2
Plant, property and equipment impairment	-	28.9
Continuing operations	26.2	83.5

Balance Sheet



	June 2016 \$m	December 2015 \$m
Property, plant and equipment	441.9	460.8
Goodwill	230.2	230.6
Other intangible assets	163.9	180.4
Working capital¹	337.4	365.8
Taxation	(2.7)	10.7
Provisions	(17.2)	(18.0)
Dividend payable (paid 6 July 2016)	(5.9)	-
Other	40.7	48.3
Net debt	(87.5)	(110.5)
Net assets	1,100.8	1,168.1
Gearing¹	8%	9%

¹ Working capital and gearing are non-GAAP measures that are defined in the "Non-GAAP measures" section of the Half Year Report.

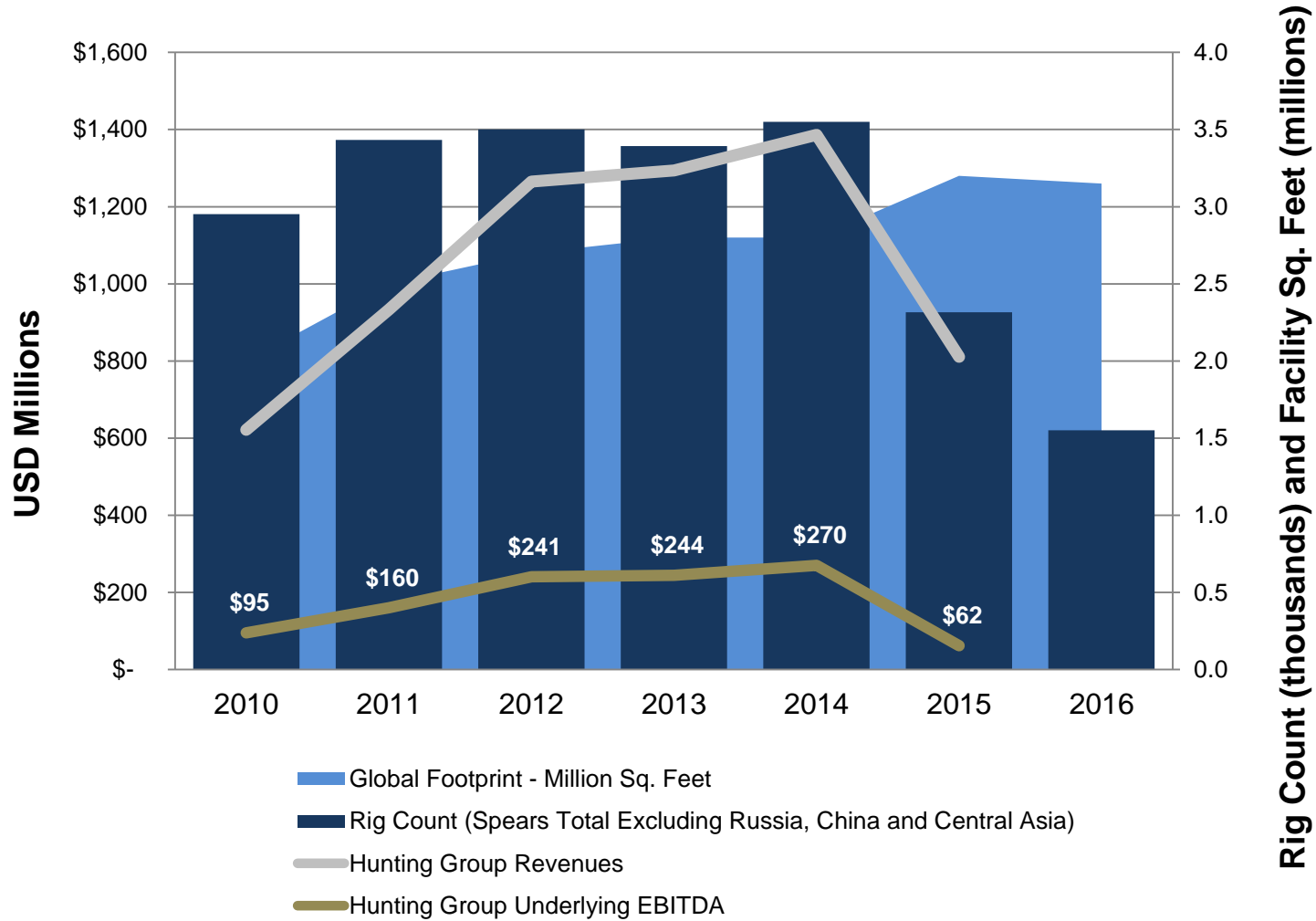
	H1 2016 \$m
Facilities	
- Dearborn – Fryeburg, Maine	3.5
- Premium Threading and Testing – AmeriPort, Texas	3.1
- Other facility spend	0.7
Machinery and Equipment	
- EMEA	2.7
- North America	2.4
- Asia Pacific	0.3
	<hr/> 12.7
Exploration and Production	0.4
	<hr/> 13.1

Cash Flow



	H1 2016 \$m	H1 2015 \$m
Underlying EBITDA	(29.5)	44.1
Working capital	26.7	14.7
Interest and bank fees	(1.8)	(2.6)
Tax received (paid)	29.2	(7.7)
Restructuring costs	(3.9)	-
Replacement capital investment	(1.8)	(15.3)
Other	7.6	1.9
Free cash inflow	26.5	35.1
Expansion capital investment	(11.3)	(35.5)
Dividend to PLC equity holders	-	(33.9)
Tax indemnity receipt	7.9	0.3
Other	(0.1)	(1.7)
Reduction / (increase) in net debt	23.0	(35.7)

Rig Count Correlation to Hunting Results



Source: Spears

One of the most severe global industry downturns

- Lowest US rig count since official tracking began in 1949.
- Over 170 E&P and Oilfield Service Company bankruptcies with debt in excess of \$80 billion

Hunting's Principal Focus

Manage cost

- Annualised savings of \$93 million (versus 2014 run rate)

Conserve cash

- Lowered net debt by \$23 million during H1 2016

Preserve the business operations for the upturn

- Retained key staff, maintained plant, property and equipment

Focus on quality and safety

- No sacrifice of quality or safety for lower cost

Source: Oilpro.com, Baker Hughes, Inc., Haynes and Boone, LLP July and August 2016

Oilfield service companies have been a casualty of the industry downturn

The market will not tolerate:

- Less than best in class
- Lack of proprietary products
- Poor quality
- Weak financial standing, notably carrying too much debt

The business environment is creating less competition and reduced manufacturing capacity

Oilfield Service Companies

Current Statistics

83 Bankrupt
(2015 -2016)

Defaulting on **\$13.5 billion** of debt

Future Risk

Industry-wide, over **\$110 billion** of debt due over the next 5 years

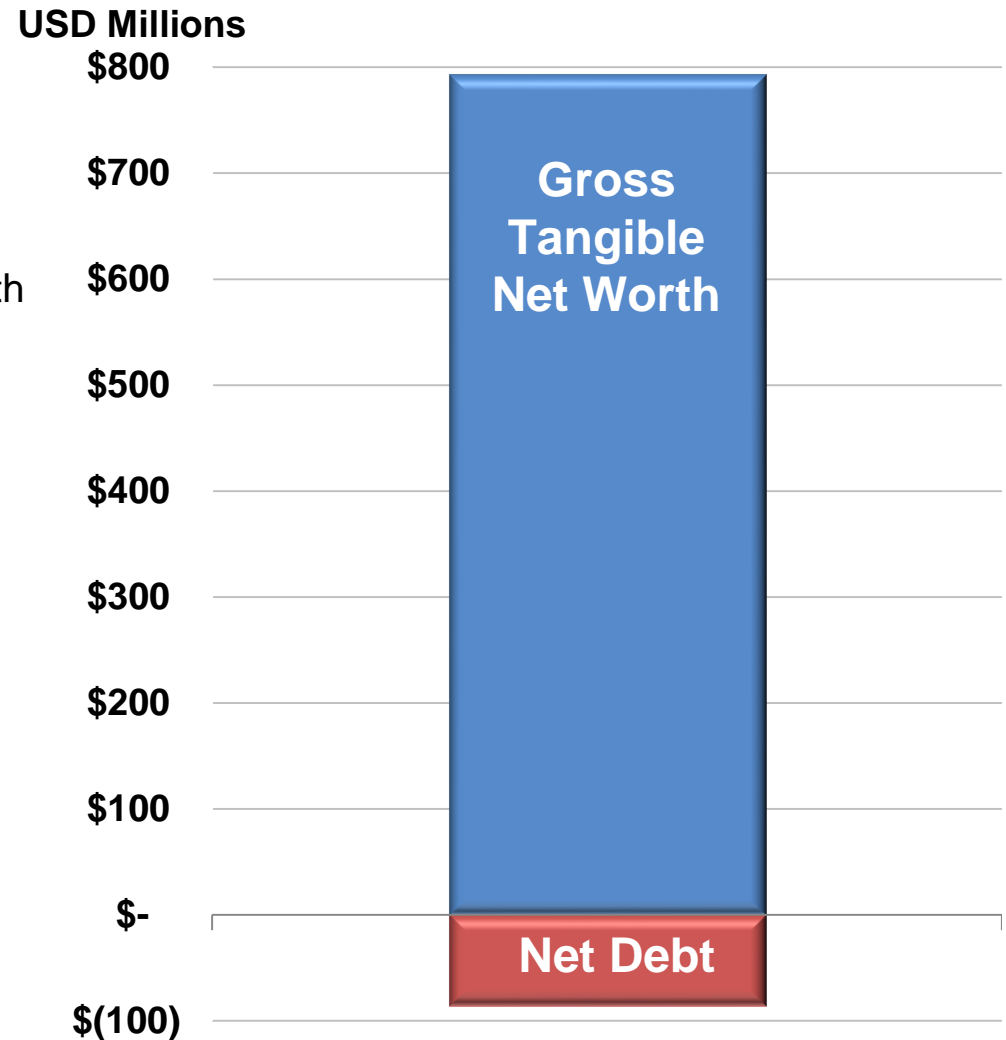
With 70% of the debt due in 2018 rated as high risk

Solid Foundation



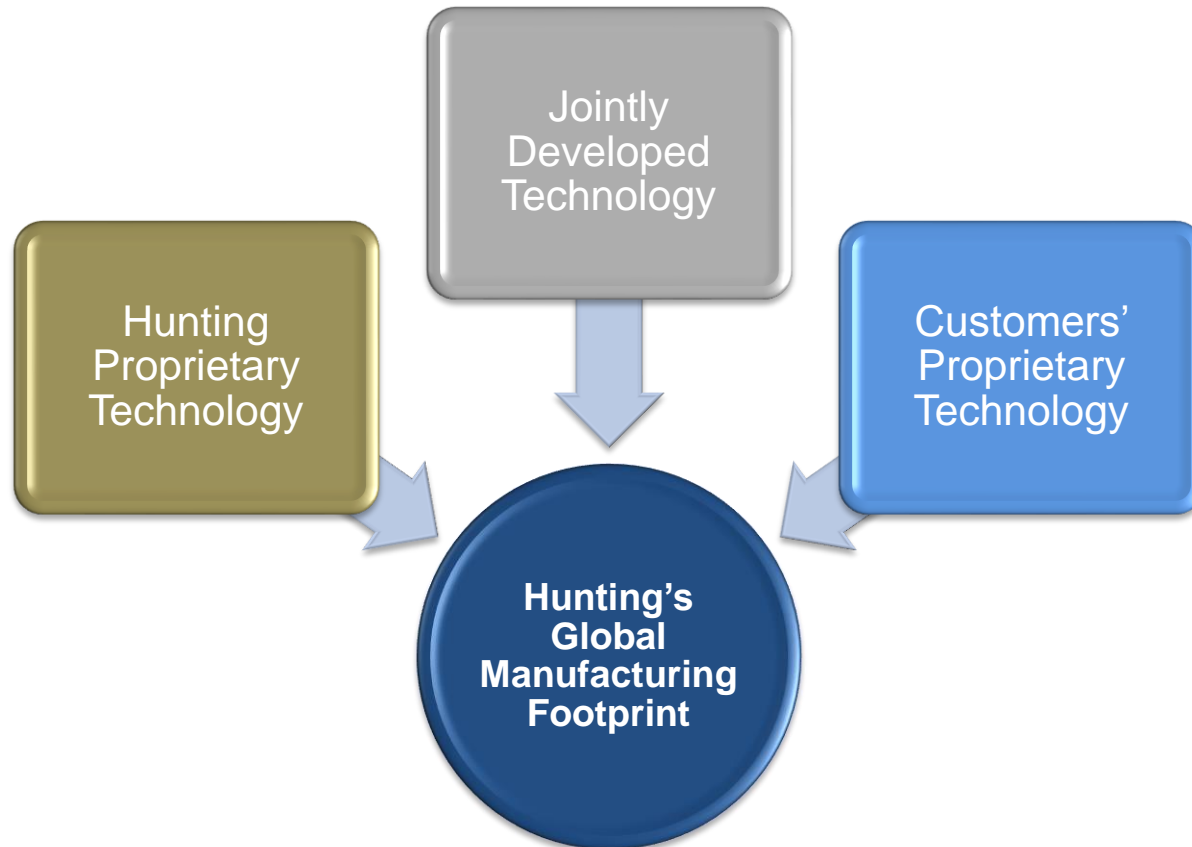
- Core assets

- 40 Operating facilities
- Over 1,200 machines
- Over \$790 million gross tangible net worth
- While carrying \$87.5 million in net debt



Gross tangible net worth is net assets less goodwill, other intangible assets before net debt.

- Hunting enables the manufacturing of technology. Whether it is our range of proprietary technology (over 400 patents), or in our capacity as a trusted provider of our customers' technology.



Hunting Proprietary Technology

- H1 Perforating Gun System
 - Step change technology increasing safety and reliability, while lowering cost and decreasing perforating job time

Jointly Developed Technology

- ExxonMobil and Hunting Autonomous Tools
 - Creating perforating and pipe cutting tools with on-board navigation eliminating the need for physical connection of tools back to the surface creating more efficient tools that are easier to use resulting in lower well cost

Customers' Proprietary Technology

- OEMs' Proprietary Products
 - Manufacturing OEM proprietary products to their specifications and delivering them where needed globally

Cannibalisation

- Supply chain dictates “use up the inventory on hand first and make it work.” Creates demand for quick turn solutions to solve inventory problems

Manufacturing agility and full Wellbore product lines

Service Intensity Acceleration

- Concentrate on the best geology, maximise wells per acre and leverage the wellbore with the most economic mixture of kit

We have large distribution channels in the key markets

Capacity Constraints

- As a result of damage to the industry’s supply chain, capacity and manpower constraints will emerge with the first signs of industry recovery

We have manufacturing capacity

Flight to Quality

- Procurement of lower quality products has led to increased field cost. Customers will return to best in class suppliers

Quality culture

Investments in Manufacturing Technology

As we build or update equipment, Hunting has also equipped our facilities with the most efficient, proven manufacturing technology

- Single operator lean manufacturing cells allowing one machinist to man multiple machines
- We are benefiting from reduced cycle times, lower fatigue factors and improved safety
- Installation of new Mori Seki machines has achieved a 15% reduction in threading cycle times for large OCTG
- Equipment upgrades estimated to improve perforating gun production capacity by 18%

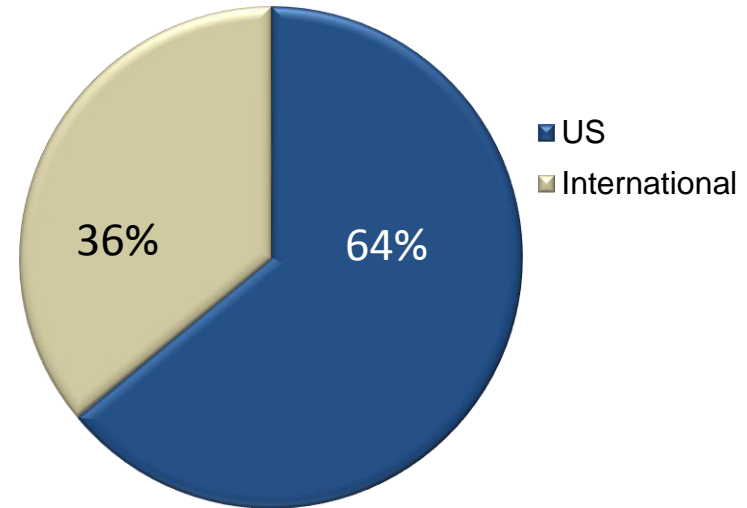


Positioned in Key Markets

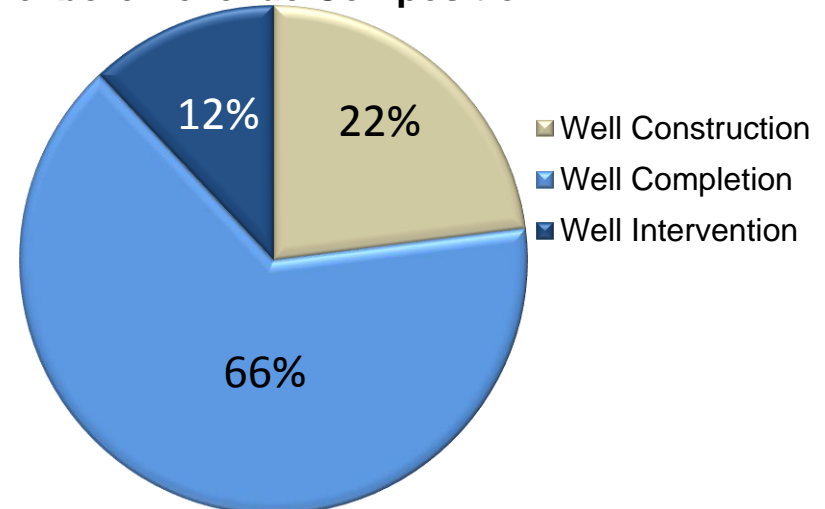


- With the severity of the downturn limiting spending, the return to drilling and completion will spur the need for more product and restocking opportunities
 - The US will be an early recovery market beginning with “DUCs”
 - The international market will follow with high value offshore E&P
- Hunting’s focus is wellbore driven, from the initial drilling to the final plug and abandonment of the well
 - All business platforms will see immediate demand with a noticeable recovery

Geographic Revenue Profile



Wellbore Revenue Composition



Manufacturing

- Subsea Equipment
- HDD Equipment
- Perforating Systems
- Premium Connections
- Downhole Accessories
- Ultra Precision Machining

Distribution

- Perforating Systems
- MWD Tools
- OCTG / Premium Connections
- Drilling Tools
- Cased Hole Tools
- HDD Equipment



2016: Estimated over 53,700 wells drilled globally with footage of over 469 million feet



Premium Connections



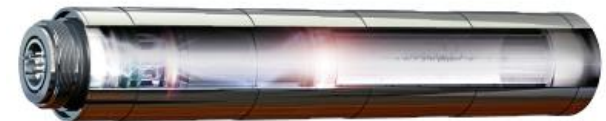
Mud Motors



OCTG



LWD Precision Manufacturing

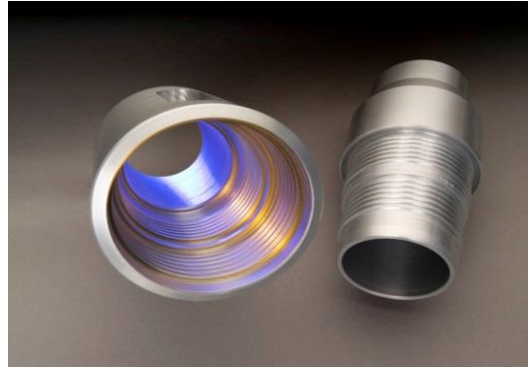


MWD Detectors

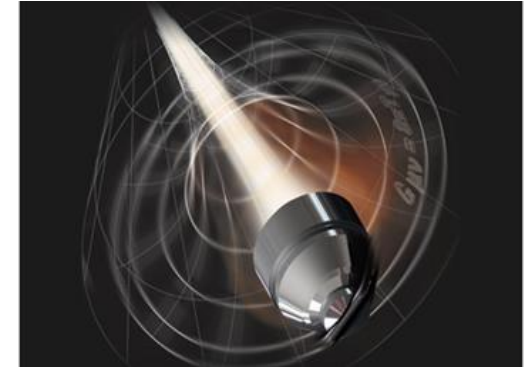
Completion Technologies



Over 3,900 DUCs in the U.S.
to be completed



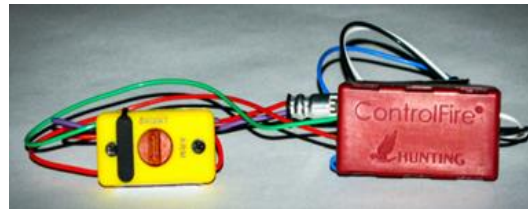
Premium Connections



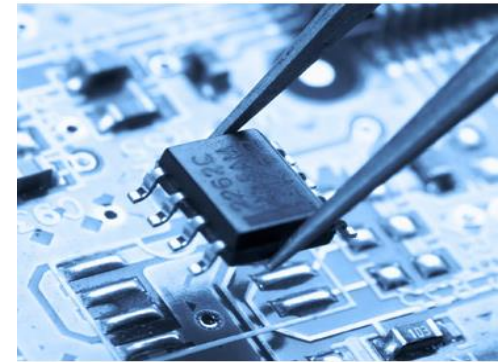
Shaped Charges



H1 Perforating System



Control Fire Selective Firing System



Assembly And Testing of Printed Control Boards

Source: Spears, Rystad

Intervention Technologies

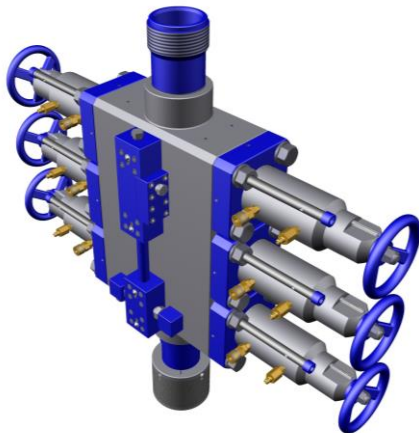
2016: Over 1.8 million active wells globally will require well intervention at some point in their lifecycle



Thru Tubing Tools



Well Testing



Pressure Control



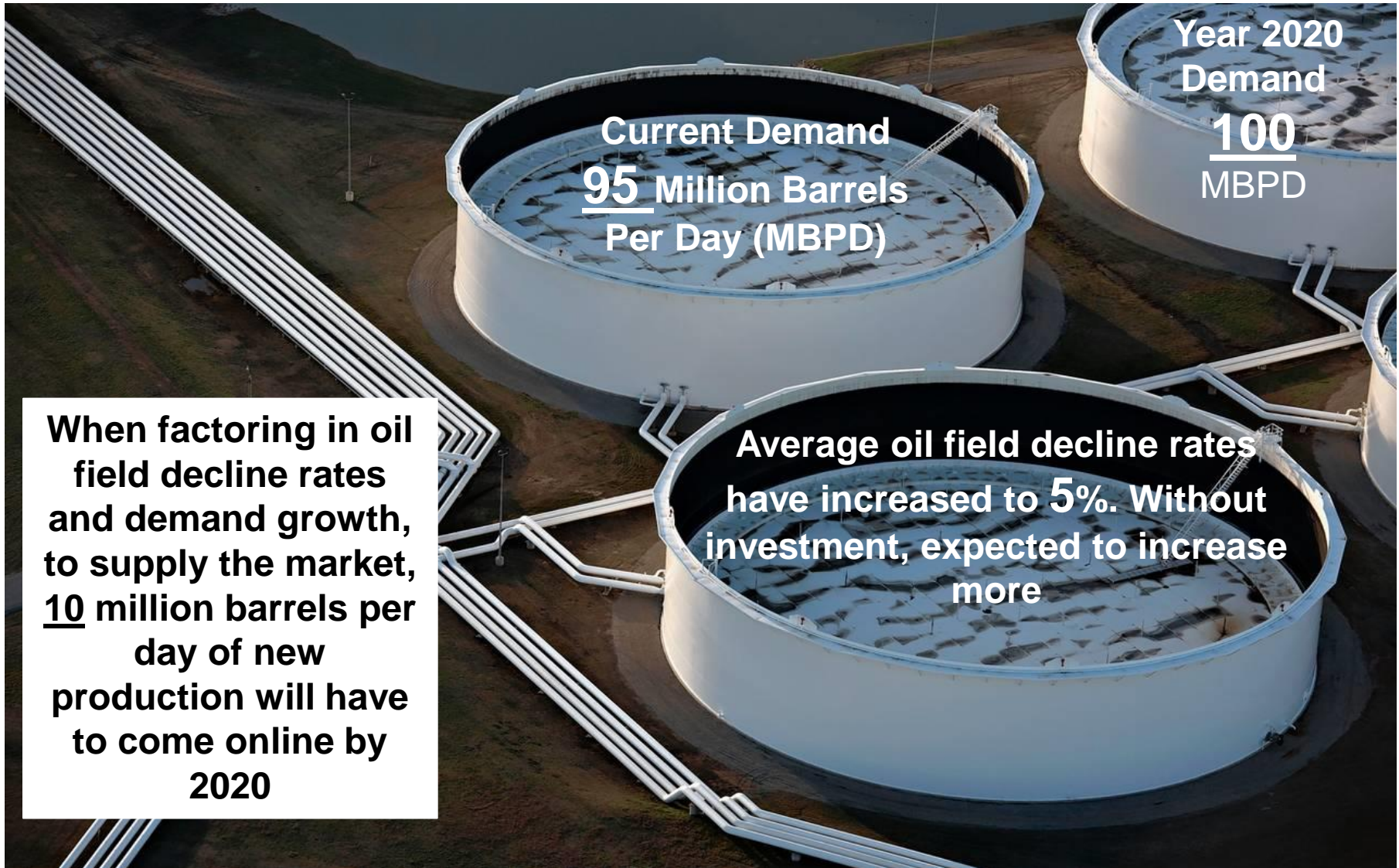
Slickline Wireline



Subsea

Source: Spears and IHS

Long Term Market Vision



Current Demand
95 Million Barrels
Per Day (MBPD)

Year 2020
Demand
100
MBPD

Average oil field decline rates
have increased to 5%. Without
investment, expected to increase
more

When factoring in oil
field decline rates
and demand growth,
to supply the market,
10 million barrels per
day of new
production will have
to come online by
2020

Source: EIA, Platts, photo Cushing, Oklahoma by Daniel Acker/Bloomberg News