THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately seek your own advice from a stockbroker, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

If you have sold or otherwise transferred all of your Ordinary Shares, please pass this document together with the accompanying Form of Proxy to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Ordinary Shares. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale was effected.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Hunting which is set out on pages 6 to 11 of this document, recommending that you vote in favour of the resolution to be proposed at the General Meeting referred to below. Your attention is further drawn to the risk factors set out in Part II of this document for a discussion of the risks that affect the value of your shareholding in Hunting.

HUNTING

Hunting PLC

Proposed Acquisition of the Titan Group

Circular to Shareholders and Notice of General Meeting

Notice of a General Meeting of the Company to be held at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD at 10.00 a.m. on 15 September 2011 is set out at the end of this document. A Form of Proxy for use by Shareholders in connection with the General Meeting is enclosed. Whether or not you propose to attend the General Meeting, please complete and submit the Form of Proxy in accordance with the instructions printed on the enclosed form. To be valid, the Form of Proxy must be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, as soon as possible, and in any event no later than 10.00 a.m. on 13 September 2011, being 48 hours before the time appointed for the holding of the meeting.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction, in accordance with the procedures set out in the CREST Manual, so that it is received by the Registrar (under CREST participant RA19) by no later than 10.00 a.m. on 13 September 2011. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. Shareholders may also register the appointment of a proxy electronically by logging on to www.sharevote.co.uk, so that the appointment is received by the Registrar by no later than 10.00 a.m. on 13 September 2011. Completion and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction or appointing a proxy electronically will not prevent you from attending and voting in person at the General Meeting, if you wish to do so.

This document is a circular relating to the Proposed Acquisition, which has been prepared in accordance with the Listing Rules. This document has been approved by the Financial Services Authority.

DC Advisory Partners Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority ("FSA"), is acting exclusively for Hunting and for no one else in relation to the Proposed Acquisition and will not be responsible to anyone other than Hunting for providing the protections afforded to clients of DC Advisory Partners Limited or for providing advice in relation to the Proposed Acquisition or on any other matters referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed upon DC Advisory Partners Limited by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, DC Advisory Partners Limited accepts no responsibility whatsoever nor makes any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Acquisition, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. DC Advisory Partners Limited accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

FORWARD-LOOKING STATEMENTS

This document contains (or may contain) certain forward-looking statements with respect to certain of Hunting's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Hunting cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding Hunting's future financial position, income growth, impairment charges, business strategy, projected levels of growth in its markets, projected costs, estimates of capital expenditure, and plans and objectives for future operations of Hunting and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards as adopted by the European Union ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition – a number of which factors are beyond Hunting's control. As a result, Hunting's actual future results may differ materially from the plans, goals, and expectations set forth in Hunting's forward-looking statements. See Part II of this document for further information in relation to risk factors. Any forward-looking statements made herein by or on behalf of Hunting speak only as of the date they are made. Except as required by the FSA, the London Stock Exchange plc or applicable law, Hunting expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in Hunting's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules, Hunting will not necessarily update any of them in light of new information or future events and undertakes no duty to do so.

NOTE REGARDING PRESENTATION OF CURRENCIES

Unless otherwise indicated, all references in this document to "pounds sterling" or "£" are to the lawful currency of the United Kingdom and all references to "$", "US$", "US dollars" or "United States dollars" are to the lawful currency of the United States. For the purpose of this document and unless otherwise stated, a pound sterling to United States dollar exchange rate of 1:1.63 has been applied for illustrative purposes (source: Financial Times: closing mid-rate of exchange on 4 August 2011) to calculate the pounds sterling equivalent of the consideration for the Acquisition and any United States dollar amounts related to the Acquisition. Such translations should not be considered as a representation that such currencies could have been or could be converted into pounds sterling or United States dollars (as the case may be) at any particular rate, the rates stated above or at all.

CONTENTS

EXPECTED TIMETABLE OF KEY EVENTS

Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. 13 September 2011
General Meeting	10.00 a.m. 15 September 2011
Expected date of Completion of the Acquisition	16 September 2011

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context requires otherwise:

"Acquisition" or "Proposed Acquisition"	the proposed acquisition of the Titan Group pursuant to the Acquisition Agreement
"Acquisition Agreement"	the conditional agreement and plan of merger relating to the Acquisition dated 5 August 2011, the principal terms of which are summarised in Part V of this document
"Adjustments"	the adjustments to the purchase price to be made pursuant to the Acquisition Agreement, which may be positive or negative, as described in greater detail in Part V of this document
"Barclays Capital"	Barclays Capital, the investment banking division of Barclays Bank PLC
"Board", "Directors" or "Board of Directors"	the board of directors of Hunting whose names are set out on page 6 of this document
"Closing" or "Completion"	completion of the Proposed Acquisition in accordance with the terms of the Acquisition Agreement
"Consideration"	the consideration to acquire 100 per cent. of TSI Acquisition Holdings LLC as summarised in Part V of this document
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules made by the UKLA under Part 6 of FSMA (as amended from time to time)
"DC Advisory Partners"	DC Advisory Partners Limited
"EBIT"	earnings before interest and tax
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"Enlarged Group"	the Hunting Group following Completion
"Existing Bank Facility"	Hunting's £120 million revolving credit facility, provided by Lloyds TSB Bank plc, Barclays Bank PLC and Bayerische Landesbank, London Branch dated 25 October 2010
"FSA" or "Financial Services Authority"	the Financial Services Authority of the United Kingdom in its capacity as the competent authority for the purposes of Part 6 of FSMA and in the exercise of its functions in respect of admission to the premium segment of the Official List otherwise than in accordance with Part 6 of FSMA
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Form of Proxy"	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
"GM" or "General Meeting"	the general meeting of Hunting at which a resolution will be proposed to approve the Proposed Acquisition, and which is to be held at 10.00 a.m. on 15 September 2011, Notice of which is set out at the end of this document
"Half-Year Results"	unaudited half-year results of the Hunting Group for the six month period ended 30 June 2011
"Hunting" or "Company"	Hunting PLC

"Hunting Group" or "Group"	Hunting and its subsidiaries and subsidiary undertakings
"Hunting Shares" or "Ordinary Shares"	the existing issued and fully paid ordinary shares of 25 pence each in the share capital of Hunting and "Hunting Share" or "Ordinary Share" means any of them
"Hunting Share Option Scheme" or "Share Option Scheme"	the Hunting 2001 Executive Share Option Scheme
"IFRS"	International Financial Reporting Standards, as adopted by the European Union
"Listing Rules"	the Listing Rules made by the UKLA under Part 6 of FSMA (as amended from time to time)
"LLC"	TSI Acquisition Holdings LLC
"New Bank Facility"	the new revolving credit facility of £375 million dated 5 August 2011 and arranged and underwritten by Barclays Bank PLC, Lloyds TSB Bank PLC and The Royal Bank of Scotland plc
"Notice"	the notice of the General Meeting, which is set out at the end of this document
"Placing"	the placing of 13,175,838 new Ordinary Shares which was announced on 5 August 2011
"RBS Hoare Govett"	RBS Hoare Govett Limited
"Resolution"	the ordinary resolution relating to the Acquisition set out in the Notice of General Meeting at the end of this document
"Shareholders"	holders of Ordinary Shares
"subsidiary"	has the meaning ascribed to it in sections 1159 and 1162 of the Companies Act 2006
"subsidiary undertaking"	has the meaning ascribed to it in sections 1161, 1162 and Schedule 7 of the Companies Act 2006
"Titan"	Titan Specialties, Ltd.
"Titan Group"	TSI Acquisition Holdings LLC and its subsidiaries
"UKLA"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part 6 of FSMA
"US$"	United States dollar
"USA" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

PART I

LETTER FROM THE CHAIRMAN OF HUNTING PLC

Hunting PLC

(Incorporated and registered in England and Wales under number 974568)

Directors:	*Registered Office:*
Richard Hunting CBE (*Non-Executive Chairman*)	3 Cockspur Street
Dennis Proctor (*Chief Executive*)	London
Peter Rose (*Finance Director*)	SW1Y 5BQ
John Hofmeister (*Non-Executive Director*)	
George Helland (*Non-Executive Director*)	
John Nicholas (*Non-Executive Director*)	

25 August 2011

Proposed Acquisition of the Titan Group
and Notice of General Meeting

Dear Shareholder,

1. Introduction

On 5 August 2011, Hunting announced that it has agreed to acquire TSI Acquisition Holdings LLC and its subsidiaries including Titan Specialties, Ltd. for a total consideration of US$775 million (£475.5 million) on a cash-free-debt-free basis, subject to Adjustments and payable in cash. The LLC is majority owned by entities affiliated with Riverstone Holdings LLC, an energy focused private equity fund.

Based in Pampa, Texas USA, Titan is a leading provider of perforating gun systems, shaped charges, well logging instrumentation, perforating gun switches and other engineered hardware used in the drilling, completion and maintenance of oil and gas wells.

In accordance with the Listing Rules, due to the size of the Acquisition in relation to the size of the Company, the Acquisition is subject to, *inter alia*, the approval of Hunting's Shareholders at a General Meeting expected to take place on 15 September 2011.

The Board believes that the Proposed Acquisition is in the best interests of Hunting and its Shareholders as a whole and seeks your approval of the Resolution to be proposed at the General Meeting. A Notice convening the General Meeting is set out at the end of this document. The action you should take to vote on the Resolution and the recommendation of the Board are set out in paragraphs 9 and 11 of this letter.

Shareholders should note that the Company also announced its Half-Year Results today.

Shareholders should read the whole of this document and not just rely on the summarised information contained within this letter.

2. Background to, and reason for, the Proposed Acquisition

Following the disposal of Gibson Energy in December 2008, Hunting's strategy has been to focus its business on upstream oil and gas equipment and services through investing in earnings enhancing organic initiatives and acquisitive opportunities as well as streamlining its operations through non-core divestments such as Hunting Energy France.

Key initiatives since 2008 have included:

- Expansion into higher growth and more challenging drilling environments, including high pressure, high temperature environments, on-shore oil and gas shale and deep water and directional drilling;
- Reorganisation of its supply chain for improved efficiencies and increasing production in low cost manufacturing locations (including Wuxi in China);

- Expansion of its current manufacturing facilities to improve operational efficiency (primarily Scotland and Wyoming);
- Diversification and expansion of its geographic footprint into high growth markets including Asia Pacific, the Middle East and Central and South America;
- Creation of a new regional centre in Pennsylvania to take advantage of shale oil and gas drilling activity as well as new drilling tool facilities in Conroe, Texas and Casper, Wyoming to service the US Gulf Coast states and the Bakken oil and gas shale; and
- Creation of a well intervention division to emphasise Hunting's growth in this area.

Furthermore, the Company has, to date, made a number of niche acquisitions to progress its strategic initiatives. These include: Innova-Extel, a leading supplier of harsh environment electronics technology to the global energy industry; Welltonic, a provider of well intervention services; PT SMB Industri, a premium threading operation; and National Coupling Company, a leading developer and manufacturer of subsea hydraulic equipment. More recently, Hunting earlier this month announced its acquisition of Dearborn Precision Tubular Products, a manufacturer of high precision and rotating metal components primarily used in measurement-while-drilling and logging-while-drilling applications.

These initiatives have positioned Hunting to benefit from favourable industry trends in the oil services industry. Unconventional drilling is currently driving the US oil services sector, as demonstrated by the following:

- Rapid growth in the US horizontal rig count
  - Horizontal drilling grew at an average rate of approximately 40 per cent. per annum from 2002 to 2010 as a result of its application in unconventional reservoirs
  - The percentage of rigs drilling horizontally in the US has increased from approximately 7 per cent. in 2002 to approximately 61 per cent. currently
- Renaissance of oil production in the US
  - Crude oil drilling currently accounts for 54 per cent. of US drilling activity, compared to 14 per cent. in 2004, and is expected to increase further due to the attractive economics of oil drilling. The current break even oil price is as low as US$40 per barrel for some basins
  - US shale oil production is expected to contribute 30 per cent. of total production in 2016 (currently 5 per cent.), driven by improved technologies, lower costs and supportive oil prices
- Significant increase in US oil services spend
  - US land drilling and completion spending is projected to grow by approximately 60 per cent. from US$110 billion in 2010 to US$176 billion in 2016, a compound annual growth rate of approximately 8 per cent.
  - Management believes spending will increase as operators build out unconventional drilling programmes

The Board of Directors is confident that the Proposed Acquisition provides significant strategic, operational and financial benefits to Hunting with the principal benefits including:

- Titan is a market leader in North America with a significant market share in perforating products;
- Titan has a portfolio of proprietary products, many of which are protected by patents and/or other intellectual property;
- Hunting is looking to gain further exposure to high growth unconventional resource plays. The Proposed Acquisition provides Hunting with an improved position in this market;
- Hunting's well construction and well completion businesses focus on high specification downhole tools and equipment (particularly patented tubular connections, which are ideally suited to horizontal drilling and exploitation of oil and gas shale plays). Titan's perforating gun systems, charges, switches

and instrumentation are complementary to Hunting's tools and equipment, and the Proposed Acquisition will therefore enhance Hunting's suite of well construction and completion products that it provides to its customers;

- Hunting can use its established international footprint to assist the Titan Group in penetrating international markets. Titan's established US in-house distribution network combined with Hunting's existing US presence should create further opportunities; and
- The Proposed Acquistion is expected to be significantly earnings enhancing in the first full year on an underlying basis(1).

3. Information on the Titan Group

Titan is a leading provider of downhole tools and equipment to the oil and gas industry. It designs, manufactures and distributes perforating gun systems, shaped charges, well logging instrumentation, perforating gun switches and other engineered hardware used in the drilling, completion and maintenance of oil and gas wells. Titan is a market leader in North America with a significant market share in perforating products.

Titan's operations are organised into three product based divisions:

- Perforating division – which manufactures and distributes gun systems and associated perforating hardware;
- Energetics division – which designs, manufactures and distributes shaped charges for perforating systems and explosives for other downhole applications; and
- Instruments division – which designs, manufactures and distributes firing switches for perforating guns and an expanded offering of downhole logging tools and perforating related instruments.

Many of Titan's products are consumable in nature and used in the development and performance of oil and gas wells, as the perforation provides the physical conduit through which hydrocarbons flow into the wellbore. Demand for Titan's broad offering of downhole tools and equipment continues to benefit from the increasing technological requirements of drilling and completion, particularly with the increased complexity of horizontal drilling and hydraulic fracturing techniques (also known as "fracking"), associated with oil and gas shale resources. Management has identified the following as a selection of growth products: EB Fire™; Control Fire™; MWD Gamma Detector; T-Set™ and Spectra Jet Cutters.

Titan's addressable market is derived as the product of the global rig count, number of wellbores, horizontal drilling and frac stages per well. The increasing complexity of horizontal wells continues to drive the demand for Titan's products.

As lateral lengths increase, more frac stages and wellbore footage is required for perforation. Many horizontal wells in shale plays have lateral lengths exceeding 8,000 feet and have 20 or more frac stages (such as used in the Bakken, Marcellus and Woodford shales). Titan's management believes each stage can require up to 10 perforating guns (i.e. approximately 200 or more guns per well). Therefore, the more stages within a well, the more guns, shaped charges, switches and associated hardware is required.

Conventional vertical wells use only a few guns in a single producing zone. As a result, revenue from a horizontal well can be significantly higher than that from a vertical well. Management believes that combining Hunting's global position with Titan's products will increase Titan's addressable market.

Over the past four years, Titan has made significant investments in complementary product lines and intellectual property, distribution facilities and human resources. Titan has formed a strong distribution network across the US and, more recently, internationally through distribution agreements. As a result of prior investments, there is not expected to be a significant capital requirement in the business.

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(1) Before acquisition costs and normal acquisition adjustments such as fair value adjustments and the amortisation of intangible assets. This statement should not be interpreted to mean that the earnings per share in the first full financial year, or in any subsequent period, would necessarily match or be greater than, those for the relevant preceding financial period for Hunting or the Titan Group.

Titan has an established management team with significant industry experience. Chief Executive Officer, Ken Babcock, has worked in the industry for 31 years and joined Titan in 2008. Chief Financial Officer, Roger Rivet, also joined Titan in 2008. Ken Babcock and Roger Rivet have agreed to stay with the business following the Acquisition and have signed new employment agreements with Titan.

Summary Financial Information

The Titan Group's revenue, EBITDA, EBITDA margin, profit from operations, profit (loss) before taxation and profit (loss) for the year, for the three years ended 31 December 2008, 2009 and 2010, are summarised below:

US$ million	*Year ended 31 December 2010*	*Year ended 31 December 2009*	*Year ended 31 December 2008*
Revenue	157.7	86.9	144.1
EBITDA	48.5	18.8	49.2
EBITDA margin	30.8%	21.6%	34.1%
Profit from operations	31.9	3.0	33.8
Profit (loss) before taxation	21.7	(10.3)	17.5
Profit (loss) for the year	21.2	(10.6)	17.0

Source: The historical financial information of the Titan Group set out in Part III of this document which has been prepared under IFRS in accordance with Hunting's accounting policies.

Titan Group's financials for the three years ended 31 December 2008, 2009 and 2010 have been restated in accordance with IFRS as applied by Hunting. Certain adjustments have impacted Titan Group's historic financials. The material adjustments comprise:

- a reduction of estimated useful lives of some of the Titan Group's intangible assets, thereby increasing amortisation charges, but leaving EBITDA unaffected;
- a charge in relation to Titan Group's equity based incentive schemes, which reduces historic EBITDA though it will not have an ongoing impact as the schemes terminate on Completion; and
- a reclassification of the amortisation charge in respect of deferred financing costs from general and administrative expenses to finance expense increasing profit from operations, but leaving EBITDA unaffected.

In 2009, the Titan Group's financial performance was impacted by the economic downturn, which significantly reduced North American drilling activity. However, the business has performed strongly since then as the market has recovered strongly and also having strengthened its routes to market through opening a number of additional distribution facilities.

For the six months ended 30 June 2011, the Titan Group delivered unaudited revenue and EBITDA of US$114.7 million and US$41.7 million (36.4 per cent. EBITDA margin), respectively(2). Revenue in all divisions was higher than that achieved in the first half of 2010. The Perforating and Instruments divisions have grown significantly compared to the same period last year and ahead of the Titan Group management team's expectations for the period. Hunting is pleased to report that the Titan Group's strong performance has continued into the early part of the second half of the year.

The Titan Group had net assets of US$145.1 million (£89.1 million) and gross assets of US$353.6 million (£217.0 million) at 31 December 2010 (as extracted from the historical financial information on the Titan Group set out in Part III of this document).

A statement illustrating the effect of the Proposed Acquisition on the net assets of the Enlarged Group is set out in Part IV of this document.

Shareholders should read the whole of this document and not just rely on the summarised financial information contained within this letter.

(2) Results for the Titan Group for the six months ended 30 June 2011 are stated under US GAAP and are sourced from the Titan Group's unaudited US GAAP management accounts.

4. Principal Terms of the Acquisition

Hunting has entered into a conditional agreement and plan of merger to acquire 100 per cent. of TSI Acquisition Holdings LLC for a total consideration of US$775 million (£475.5 million) subject to Adjustments, payable in cash. The Acquisition is on a cash-free-debt-free basis with the Titan Group's existing debt being settled prior to Completion. The LLC is the parent company of Titan; however, it is ultimately majority owned by entities affiliated with Riverstone Holdings LLC, an energy focused private equity fund. After completion of the Proposed Acquisition, the LLC will be a wholly-owned subsidiary of Hunting Energy Services, Inc.

In accordance with the Listing Rules, due to the size of the Acquisition in relation to the size of the Company, the Acquisition is subject to Shareholder approval. It is also conditional on among other things, no material adverse change having taken place as well as the expiration of the applicable waiting period under the US Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR"). Hunting and the LLC made all relevant filings under HSR on 5 August 2011. HSR filings are automatically approved after 30 days unless extended by the US government.

If Hunting does not obtain Shareholder approval, it is required to pay the LLC a break-fee of approximately £9.5 million.

The consideration for the Acquisition includes an escrow amount of US$40 million (£24.5 million) which will be held by Wells Fargo Bank, N.A., of which US$5 million (£3.1 million) will be used for any Adjustments and the remaining US$35 million (£21.5 million) will be used to satisfy general indemnification claims. In addition there will be an escrow amount of US$1 million (£0.6 million) for potential environmental matters. The Acquisition Agreement provided that the escrow amount for environmental matters could increase to US$5 million (£3.1 million) depending on the results of an analysis undertaken by environmental consultants. Since the date of the Acquisition Agreement, this analysis has been satisfactorily completed and the escrow amount in relation to the environmental matters will remain at US$1 million (£0.6 million). Accordingly, the right of the LLC to terminate the Acquisition Agreement in the event that the environmental escrow amount exceeded US$5 million (£3.1 million) has been extinguished.

The Acquisition Agreement contains warranties that in terms of scope are customary for a transaction of this nature. In terms of recourse, they are limited to the escrow amounts.

Further details of the Acquisition Agreement are set out in Part V of this document.

5. Financing of the Proposed Acquisition

The Consideration for the Proposed Acquisition will be satisfied through Hunting's existing cash balances and the New Bank Facility. Hunting's existing cash balances include £85.4 million gross proceeds from the Placing announced on 5 August 2011, £85.3 million paid to the Company following the redemption of the warrant issued to Hunting in connection with the sale of Gibson Energy announced on 15 June 2011 less the US$83.5 million cash consideration paid for Dearborn Precision Tubular Products announced on 12 August 2011.

Following Completion, Hunting will retain financial headroom and flexibility in order to be able to take advantage of further organic initiatives and acquisition opportunities in line with its stated strategy. Hunting is currently in advanced negotiations to acquire other complementary businesses in the near future for an estimated aggregate consideration of around £40 million. There is no certainty that any of these acquisitions will complete.

New Bank Facility

The New Bank Facility has been underwritten by Barclays Bank PLC, Lloyds TSB Bank PLC and The Royal Bank of Scotland plc and amounts to £375 million. Under a facility agreement dated 5 August 2011, the New Bank Facility is structured as a multi-currency revolving credit facility which will replace the Existing Bank Facility of £120 million on Completion. The New Bank Facility will expire in 2016 and is on current market terms, with an interest margin of 165bps above LIBOR until December 2011 and is then subject to an interest ratchet based on the Company's net leverage ratio thereafter. The New Bank Facility is available to meet the Enlarged Group's working capital requirements and other general corporate purposes (including acquisitions).

Further details of the New Bank Facility are set out in Part VI of this document.

6. Hunting Current Trading

As stated in the Half-Year Results announced today, the Board's view on its current trading and prospects for the Group is set out below:

"Our results today demonstrate the momentum of Hunting's activities as the industry continues to increase its investment in drilling and developing new resources. Our businesses are performing well and continue to indicate good year on year growth.

With the acquisitions of Titan and Dearborn, Hunting is continuing its strategy of acquisitive growth in businesses which increases the products and services delivered to the well bore. Both acquisitions focus on the high growth, high margin sectors of the industry, where Hunting has invested heavily since 2008."

7. Risk Factors

Shareholders should consider fully and carefully the risk factors associated with the Proposed Acquisition and the operations of the Enlarged Group. Your attention is drawn to the risk factors set out in Part II of this document.

8. Notice of General Meeting

In accordance with the Listing Rules, the Proposed Acquisition is conditional on, amongst other things, the approval of Shareholders. A Notice convening the General Meeting in relation to the Proposed Acquisition to be held at 10.00 a.m. on 15 September 2011 at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD is set out at the end of this document. At this meeting the Resolution will be proposed for the purpose of approving the Proposed Acquisition.

9. Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to be present at the General Meeting, you are requested to complete and sign the Form of Proxy, in accordance with the instructions printed thereon, and return it to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL to arrive as soon as possible and, in any event, not later than 10.00 a.m. on 13 September 2011.

The completion and return of the Form of Proxy will not affect your right to attend and vote in person at the General Meeting if you wish to do so.

10. Additional information

Your attention is drawn to the additional information set out in Part VI of this document and to the Notice of General Meeting set out at the end of this document.

11. Recommendation

Your Board has received financial advice with respect to the Proposed Acquisition from DC Advisory Partners. In providing its financial advice to the Board, DC Advisory Partners has relied upon the Directors' commercial assessment of the Proposed Acquisition.

Your Board considers that the Proposed Acquisition is in the best interests of Shareholders taken as a whole and unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the Directors each intend to do in respect of their own beneficial holdings which, as at 22 August 2011, amounted in total to 1,885,396 Ordinary Shares, representing approximately 1.3 per cent. of the issued share capital of the Company.

Yours sincerely,

Richard Hunting CBE
Chairman

PART II

RISK FACTORS

The following risk factors should be considered carefully when deciding whether or not to vote in favour of the Resolution to be proposed at the General Meeting. The risk factors should be read in conjunction with all other information relating to the Proposed Acquisition and the Enlarged Group contained in this document. The risks and uncertainties set out below are those which the Directors believe are the material risks relating to the Proposed Acquisition and to the Enlarged Group and their markets. If any or a combination of these risks actually materialise, the business, operations, financial conditions and prospects of the Group and, following Completion of the Proposed Acquisition, the Enlarged Group as appropriate could be materially and adversely affected. The following is not exhaustive and does not purport to be a complete explanation of all the risks involved. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently consider to be immaterial, may also have a material adverse effect on the Proposed Acquisition and on the Enlarged Group if they materialise. If any of the risks actually materialise, the market price of the Hunting Shares could decline and you may lose all or part of your investment.

Legislation limiting shale drilling

Oil and gas shale drilling is almost exclusively carried out onshore, requiring licensing for drilling from local and federal bodies.

There may be considerable resistance from significant sections of the public for further exploration and development activities, particularly drilling and hydraulic fracturing, undertaken by the Enlarged Group's customers and other companies in the oil and gas industry, arising in connection with, for example:

(a) environmental sensitivities and concerns about pollution;

(b) concerns about the potential effects of hydraulic fracturing on aquifers; and

(c) concerns about the impact of large-scale drilling operations on landscapes.

New laws or regulations, or changes to existing laws or regulations may unfavourably impact the oil and gas drilling industry. For the second consecutive session, legislation has been introduced, but not adopted, in the United States Congress to provide for federal regulation of hydraulic fracturing. In addition, some states have adopted, and other states are considering adopting, regulations that could restrict hydraulic fracturing in certain circumstances. For example, New York has imposed a *de facto* moratorium on the issuance of permits for hydraulic fracturing practices until an environmental review and potential new regulations are finalised. New Jersey's legislature has also voted to ban hydraulic fracturing, though oil and gas production is very limited in New Jersey. Other states, such as Texas, Wyoming and Arkansas, require disclosure of the additives and other chemicals contained in hydraulic fracturing fluids, and Louisiana has proposed similar measures. The Directors cannot predict whether any proposed federal, state or local laws or regulations will be enacted and, if so, what actions any such laws or regulations would require or prohibit. However, any restrictions on these activities (including a prohibition on hydraulic fracture stimulation) may have an adverse effect on the entire shale oil and gas exploration and production industry. The Enlarged Group is committed to complying with all enacted laws and will comply with any future enacted laws and/or regulations. However, any future enacted laws and/or regulations may impose restrictions on hydraulic fracturing which could lead to operational delays, increased operating costs and additional regulatory burdens. Such restrictions would in turn negatively impact the entire shale oil and gas exploration and production industry customer base, resulting in an adverse affect on profitability of the Enlarged Group.

Environmental claims affecting the performance of the business

The Group's activities involve products and services used for shale oil and gas drilling and completion techniques, such as horizontal drilling and hydraulic fracturing, the environmental implications of which have been, and continue to be, subject to significant controversy and public debate. Given that these technologies are relatively new, their environmental implications may not be fully understood at present, and research into their effects is still ongoing. There has been speculation about, amongst other things, the possible effects of hydraulic fracturing on water aquifers (due to either the chemicals used in fracking fluids or gases released from the shales), contribution to seismic activity and disruption to local ecosystems. The controversy surrounding the environmental implications of shale gas exploration has led to opposition from significant sections of the public in the United States as well as suggestions from environmental and other groups for additional federal, state and local laws and regulations. If any of the Enlarged Group's activities were found to have caused environmental damage in any of the locations in which it operates, it could be subject to significant liabilities and reputational damage. Even if no environmental damage was tied directly to the Enlarged Group's activities, to the extent operations by other companies in the shale oil and gas industry were found to have caused environmental damage or to the extent further research provides evidence of negative environmental implications of hydraulic fracturing or other aspects of shale oil and gas exploration, public and political opposition to shale gas exploration may be further intensified and the Enlarged Group's business could come under increasing legal and regulatory restrictions, all of which could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations.

Decline in activity and expenditure in the oil and gas industry

The vast majority of the Enlarged Group's revenues and profit from operations are derived from the sale of services and products to oil and gas industry customers. Worldwide drilling and production activity, including construction and refurbishment of production facilities, is highly sensitive to the industry's view of future oil and gas prices, which have historically been characterised by significant volatility.

Capital expenditures of these companies are driven, in part, by the pricing of oil and gas. At extraordinary high prices for oil, the economic impact derived from this pricing can lead to hydrocarbon demand destruction, as factors such as inflation impact on global economies leading to lower investment by the global energy industry. At low prices of oil and gas, investment in new drilling projects is often curtailed due to reduced profitability and lower internal rates of return from investments.

Oil and gas demand and supply can be volatile which could affect oil and gas prices and a substantial or an extended decline in oil or gas prices could cause a significant decline in the demand for the Enlarged Group's oil and gas services and products.

The Enlarged Group operates in a highly competitive industry. If the Enlarged Group is unable to compete effectively with its competitors, its business, financial condition or results of operations could be materially and adversely affected. There can be no assurance that the growth the Enlarged Group has experienced will continue

The oil and gas industry in which the Enlarged Group is engaged is highly competitive. The Enlarged Group's current competitors are global oil and gas service providers. Many of these competitors have greater financial resources than the Enlarged Group. Those competitors offer products and services that are similar to, or compete with, those offered by the Enlarged Group.

Competition within the oil and gas service industry could lead to pressure on the Enlarged Group to reduce the fees that it charges for products and services, on which its profit margins and earnings are dependent. A failure to compete effectively in the environment described above may result in the loss of existing business, and of opportunities to capture new business, each of which could have a material adverse effect on the Enlarged Group's business, results of operations or financial condition.

It may not be possible for the Enlarged Group to continue to grow its business either through geographic expansion, product expansion, or investment in capital capacity or otherwise, or to maintain its performance, at historical levels or at currently anticipated levels. Further, implementation of the Enlarged Group's growth strategy may lead to increased costs and lower profitability if growth in revenues is not achieved.

The Enlarged Group may be affected by advances in technology

The Enlarged Group may be affected by step changes in technology or by market acceptance of new technology solutions, which may render the Enlarged Group's products obsolete or uncompetitive. The Enlarged Group minimises this risk by monitoring competitor activity and working closely with customers and suppliers but it may not anticipate some changes or may have insufficient resources to keep pace with developments.

The Enlarged Group's ability to continue to provide products and solutions that compete effectively depends on its ability to develop and successfully commercialise new products. The process of development involves inherent uncertainties until the product is proven and bringing a new product to the market is a complex process that requires careful execution.

Risk of retaining and attracting skilled personnel

The Enlarged Group's business relies upon the expertise and continued service of certain key personnel, including its Directors, and upon its ability to recruit, retain and motivate such personnel. Competition for personnel with appropriate qualifications is intense and may become even more so in the future. The Enlarged Group may fail to recruit and retain highly skilled, experienced employees or may incur increased costs in attracting and retaining key personnel which may affect the future performance of the Enlarged Group. The senior management team will remain under contract and the Chief Executive Officer and Chief Financial Officer of Titan Group have signed new employment contracts which will be effective on Completion.

Relationships with key customers

The Enlarged Group's success is defined by relationships with its key customers. A material reduction in orders from a major customer, whether through competitive action, contractual dispute, manufacturing quality issues, business consolidation or change in strategy could impact the Enlarged Group's financial performance and prospects. The Enlarged Group is also reliant upon the conduct of its customers, given its products are exported by those customers across the world and used in a range of environments, including deep sea exploration and production. Senior management maintain close personal relationships with key customers and seek to maintain the highest level of service to preserve Hunting's reputation for quality.

Fluctuation in currency exchange rates

The Enlarged Group has significant overseas operations; hence results are denominated in a variety of currencies. As a result, the Enlarged Group's financial statements, which are reported in pounds sterling, are subject to the effects of foreign exchange rate fluctuations with respect to currency conversions. Whilst the Enlarged Group will undertake appropriate hedging actions, foreign currency profits cannot be effectively hedged in the longer term and exposure to foreign currency net assets will remain.

Health, safety and environmental ("HS&E")

The Enlarged Group is subject to stringent and complex national, federal, state, and local HS&E laws and regulations that affect its operations, facilities and products in each of the jurisdictions in which it operates. The Enlarged Group is committed to operating in compliance with all HS&E laws and regulations relating to its products, operations and business activities and there is regular HS&E compliance reporting to the Board. Hunting has a full-time administrator of its health, safety and environment programme and this will be extended to oversee Titan's operations.

Notwithstanding the Enlarged Group's commitment to HS&E compliance, there is inherent risk that operations will incur significant costs and liabilities under HS&E laws, including government penalties, liability to government agencies for natural resources damages, personal injury, property damage to private parties, and significant business interruption. In addition, the modification or interpretation of existing HS&E laws or regulations, the more vigorous enforcement of existing HS&E laws or regulations, or the adoption of new HS&E laws or regulations may result in the Enlarged Group incurring significant costs to maintain compliance with such laws. Due to their complexity, it is difficult to estimate with any reasonable certainty the future impact of HS&E matters.

Health and safety is an integral part of the operational management accountability in Titan, and managers are therefore expected to embrace a positive safety culture and to demonstrate leadership and commitment in the workplace. All employees are encouraged to report potential hazards, and to raise any health and safety concerns through the appropriate channels. These procedures mitigate but do not eliminate the inherent risks associated with HS&E matters. For instance, Titan designs, manufactures and distributes shaped charges and related explosives. The manufacture of such devices carries with it inherent risks of industrial accidents which may result in loss of human life or equipment, as well as the risk of downtime or reduced productivity, together with wider public liability and reputational damage implications. Titan has extensive insurance arrangements to cover such eventualities and this coverage will be enhanced in the Enlarged Group. However, this insurance coverage may not be adequate to protect Titan from all material expenses related to potential HS&E liabilities, nor is it certain that these levels of insurance will be available in the future at economic rates. Likewise, if HS&E incidents were to occur the premiums for this insurance could escalate significantly.

The Enlarged Group relies to an extent on its customers' outsourcing of equipment manufacturing and a decline in outsourcing would adversely affect its business and prospects

The Directors believe that customers are increasingly outsourcing the manufacturing of equipment used in their operations. If this trend reversed it would reduce the potential market for the Enlarged Group's services and products and could materially and adversely affect its business and prospects.

Economic and political risk

The economic and political environment in the geographic areas in which the Enlarged Group operates can impact demand for the Enlarged Group's range of products and services. Activity in the sector in which the Enlarged Group operates is strongly influenced by economic confidence and, by its nature, the political environment. A repeat or prolonged global recession could impact demand for the Enlarged Group's products and services. Management and the Board closely monitor trading results, forecasts, political developments and projected economic trends in order to match capacity to demand and, where possible, minimise the impact of adverse trends on the Enlarged Group. The Enlarged Group's diversity of products and geographic areas of operation help mitigate these risks.

Drilling moratorium

The Enlarged Group's products are used in every major oil producing region in the world. The nature of oil and gas drilling activity is tending towards more complex deep water and shale projects. Should another event, such as that seen in the oil spill from the Deepwater Horizon rig in the Gulf of Mexico in 2010, result in a drilling moratorium being imposed in a region where the Enlarged Group sells its products, a reduction in demand and, therefore, revenues and profits would occur.

PART III

HISTORICAL FINANCIAL INFORMATION RELATING TO THE TITAN GROUP

Section A: Accountants' Report on the Historical Financial Information relating to the Titan Group

The Directors
Hunting PLC
3 Cockspur Street
London
SW1Y 5BQ

DC Advisory Partners Limited (the "**Sponsor**")
60 Threadneedle Street
London
EC2R 8HP

25 August 2011

Dear Sirs

Historical financial information on TSI Acquisition Holdings LLC and its subsidiaries (the "Titan Group")

We report on the financial information set out in Part III (the "**Titan Group Historical Financial Information**"). The Titan Group Historical Financial Information has been prepared for inclusion in the circular dated 25 August 2011 (the "**Circular**") of Hunting PLC (the "**Company**") on the basis of the accounting policies set out in note 2 of the Titan Group Historical Financial Information. This report is required by item 13.5.21R of the Listing Rules and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Titan Group Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Titan Group Historical Financial Information gives a true and fair view, for the purposes of the Circular and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Titan Group Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Titan Group Historical Financial Information and whether the accounting policies are appropriate to the Titan Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Titan Group Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Titan Group Historical Financial Information gives, for the purposes of the Circular dated 25 August 2011, a true and fair view of the state of affairs of the Titan Group as at 31 December 2008, 2009 and 2010 and of its profits and losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section B: Historical financial statements of the Titan Group for the three years ended 31 December 2010

Consolidated income statement for the years ended 31 December 2010, 2009 and 2008

	Notes	*2010* *$m*	*2009* *$m*	*2008* *$m*
Revenue		157.7	86.9	144.1
Cost of sales		(92.0)	(56.1)	(83.1)
Gross profit		65.7	30.8	61.0
Operating expenses	3	(33.8)	(27.8)	(27.2)
Profit from operations		31.9	3.0	33.8
Finance income	6	0.1	0.1	0.6
Finance expense	6	(10.3)	(13.4)	(16.9)
Profit (loss) before taxation		21.7	(10.3)	17.5
Taxation	8	(0.5)	(0.3)	(0.5)
Profit (loss) for the year		21.2	(10.6)	17.0

The notes on pages 24 to 55 are an integral part of this historical financial information.

Consolidated statement of comprehensive income for the years ended 31 December 2010, 2009 and 2008

	Notes	*2010* *$m*	*2009* *$m*	*2008* *$m*
Profit (loss) for the year		21.2	(10.6)	17.0
Other comprehensive income				
Fair value losses:				
– losses originating on cash flow hedges arising during the period	17	–	(0.4)	(3.3)
– losses transferred to income statement on maturity of cash flow hedges	17	1.0	3.7	2.4
Other comprehensive income		1.0	3.3	(0.9)
Total comprehensive income for the year		22.2	(7.3)	16.1

The notes on pages 24 to 55 are an integral part of this historical financial information.

Consolidated balance sheet at 31 December 2010, 2009, 2008 and 2007

	Notes	*2010* *$m*	*2009* *$m*	*2008* *$m*	*2007* *$m*
ASSETS					
Non-current assets					
Property, plant and equipment	9	37.5	32.3	34.0	28.7
Goodwill	10	93.9	84.8	84.8	84.8
Other intangible assets	11	95.8	106.6	103.0	111.6
		227.2	223.7	221.8	225.1
Current assets					
Inventories	12	67.0	44.7	47.4	40.1
Trade and other receivables	13	33.5	15.5	17.8	13.5
Cash and cash equivalents	14	25.9	20.4	23.3	13.0
		126.4	80.6	88.5	66.6
LIABILITIES					
Current liabilities					
Trade and other payables	15	19.6	5.6	16.7	6.9
Borrowings	16	3.4	3.4	4.7	1.4
Derivative financial instruments	17	–	1.0	1.7	1.6
		23.0	10.0	23.1	9.9
Net current assets		103.4	70.6	65.4	56.7
Non-current liabilities					
Borrowings	16	185.5	187.0	178.2	187.0
Derivative financial instruments	17	–	–	2.6	1.8
		185.5	187.0	180.8	188.8
Net assets		145.1	107.3	106.4	93.0
Equity					
Members' equity	18	141.7	105.9	109.8	96.4
Other reserves	19	3.4	1.4	(3.4)	(3.4)
Total equity		145.1	107.3	106.4	93.0

The notes on pages 24 to 55 are an integral part of this historical financial information.

Consolidated statement of changes in equity for the years ended 31 December 2010, 2009 and 2008

		Year ended 31 December 2010		
	Notes	*Members' equity $m*	*Other reserves $m*	*Total $m*
At 1 January		105.9	1.4	107.3
Comprehensive income				
Profit for the year		21.2	–	21.2
Fair value losses:				
– losses transferred to income statement on maturity of cash flow hedges	17	–	1.0	1.0
Total other comprehensive income		–	1.0	1.0
Total comprehensive income		21.2	1.0	22.2
Transactions with members				
Capital contributions	18	17.0	–	17.0
Distributions	18	(2.4)	–	(2.4)
Share-based payments	20	–	1.0	1.0
Total transactions with members		14.6	1.0	15.6
At 31 December		141.7	3.4	145.1

		Year ended 31 December 2009		
	Notes	*Members' equity $m*	*Other reserves $m*	*Total $m*
At 1 January		109.8	(3.4)	106.4
Comprehensive income				
Loss for the year		(10.6)	–	(10.6)
Fair value losses:				
– losses originating on cash flow hedges arising during the period	17	–	(0.4)	(0.4)
– losses transferred to income statement on maturity of cash flow hedges	17	–	3.7	3.7
Total other comprehensive income		–	3.3	3.3
Total comprehensive (loss) income		(10.6)	3.3	(7.3)
Transactions with members				
Capital contributions	18	7.5	–	7.5
Distributions	18	(0.8)	–	(0.8)
Share-based payments	20	–	1.5	1.5
Total transactions with members		6.7	1.5	8.2
At 31 December		105.9	1.4	107.3

Consolidated statement of changes in equity for the years ended 31 December 2010, 2009 and 2008

		Year ended 31 December 2008		
	Notes	*Members' equity $m*	*Other reserves $m*	*Total $m*
At 1 January		96.4	(3.4)	93.0
Comprehensive income				
Profit for the year		17.0	–	17.0
Fair value losses:				
– losses originating on cash flow hedges arising during the period	17	–	(3.3)	(3.3)
– losses transferred to income statement on maturity of cash flow hedges	17	–	2.4	2.4
Total other comprehensive income (loss)		–	(0.9)	(0.9)
Total comprehensive income (loss)		17.0	(0.9)	16.1
Transactions with members				
Capital contributions	18	2.5	–	2.5
Distributions	18	(6.1)	–	(6.1)
Share-based payments	20	–	0.9	0.9
Total transactions with members		(3.6)	0.9	(2.7)
At 31 December		109.8	(3.4)	106.4

The notes on pages 24 to 55 are an integral part of this historical financial information.

Consolidated statement of cash flows for the years ended 31 December 2010, 2009 and 2008

	Notes	*2010* *$m*	*2009* *$m*	*2008* *$m*
Operating activities				
Profit from operations		31.9	3.0	33.8
Depreciation and amortisation		16.6	15.8	15.4
Share-based payments	20	1.0	1.5	0.9
(Increase) decrease in inventories		(22.3)	2.7	(7.3)
(Increase) decrease in receivables		(17.2)	2.3	(4.2)
Increase (decrease) in payables		11.6	(5.2)	4.0
Taxation paid		(0.5)	(0.3)	(0.5)
Net cash inflow from operating activities		21.1	19.8	42.1
Investing activities				
Interest received		0.1	0.1	0.6
Purchase of property, plant and equipment		(8.4)	(1.1)	(7.7)
Purchase of EBS	23	(12.1)	–	–
Purchase of intangible assets		(2.5)	(6.2)	(4.5)
Net cash outflow from investing activities		(22.9)	(7.2)	(11.6)
Financing activities				
Interest paid		(8.4)	(11.5)	(15.1)
Distributions paid		–	(6.8)	(0.3)
Proceeds from capital contributions	18	17.0	7.5	2.5
Repayment of borrowings		(1.3)	(4.7)	(7.3)
Net cash inflow (outflow) from financing activities		7.3	(15.5)	(20.2)
Net cash inflow (outflow) in cash and cash equivalents		5.5	(2.9)	10.3
Cash and cash equivalents at the beginning of the year		20.4	23.3	13.0
Cash and cash equivalents at the end of the year	14	25.9	20.4	23.3

Cash and cash equivalents at 1 January 2008 totalled $13.0 million.

The notes on pages 24 to 55 are an integral part of this historical financial information.

Notes to the consolidated financial information for the three years ended 31 December 2010, 2009 and 2008

1. Reporting entity and general information

TSI Acquisition Holdings LLC ("LLC"), a Delaware, United States limited liability company, was formed on 13 March 2007. In January 2007, TSI Delaware Inc. ("TSI") sold its limited partnership interest in Titan Specialties, Ltd ("TSL") to TSI Acquisition LLC ("TSIA"), a wholly-owned subsidiary of LLC. Substantially all of LLC's operations are carried out through TSL and its wholly-owned subsidiary, Titan Specialties, ULC ("TSU"), a corporation registered in Alberta, Canada. Titan GP, LLC ("TGP") is the general partner of TSL and TSIA is the sole member of TGP. LLC is 82.3 per cent. owned by Carlyle/Riverstone Global Energy and Power Fund III, L.P. and its affiliates (collectively "Riverstone"), 15.5 per cent. by TSI and 2.2 per cent. by management. LLC and its subsidiaries are together referred to as the "Titan Group".

The consolidated financial information comprises the consolidated income statements, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of changes in equity, and consolidated statements of cash flows as at and for the years ended 31 December 2010, 2009 and 2008, and the notes to the consolidated financial information.

The Titan Group's customer base consists of small and large companies in the oil and gas drilling industry. The operations are conducted through TSL. TSL manufactures and markets down-hole wireline perforating equipment used in the well completion process, instrumentation used for well logging during the drilling and perforating process and shaped charges that are fired from perforating equipment.

The Titan Group has distribution centres in Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Ohio, Pennsylvania, North Dakota, Wyoming, and Alberta, Canada, as well as independent distributors and affiliates in California, Mexico, Canada, Russia, China and the United Kingdom.

The principal accounting policies applied in the preparation of this consolidated financial information are set out below. These policies have been consistently applied to all the years presented.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial information has been prepared for the purposes of the circular in accordance with the requirements of the Listing Rules and this basis of preparation. The consolidated financial information of the Titan Group has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as applicable to companies reporting under IFRS and as they apply to the financial information of Hunting (note 29).

The financial information has been prepared on a going concern basis under the historical cost convention as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

All financial information is presented in United States dollars, the functional currency of LLC.

Adoption of new standards, amendments and interpretations

The following new standards, amendments and interpretations became effective for and were adopted during the year ended 31 December 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 – *Company 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 Titan 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) also 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 and 2008 have not been restated on adoption of this standard, as it does not impact the Titan Group's 2009 and 2008 financial performance or position.

Although the adoption of the other standards, amendments and interpretations represent a change in accounting policy, comparative figures for 2009 and 2008 have not been restated for these as the Titan Group assessed no impact upon adoption.

Standards, amendments and interpretations effective subsequent to the year end

The following new standards, amendments and interpretations will become effective for the Titan Group in future periods:

- IFRS 9 *Financial Instruments**
- 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*
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets**
- IFRIC 19 Extinguishing *Financial Liabilities with Equity Instruments*
- Improvements to IFRSs – May 2010

*Not yet endorsed by the European Union

It is not anticipated that any of the new requirements will significantly impact the Titan Group's results or financial position.

Basis of consolidation

The Titan Group's financial information consolidates the financial information of TSI Acquisition Holdings LLC and its subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Titan Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Titan Group. They are de-consolidated from the date control ceases.

The Titan Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for a business acquisition represents the fair values of any assets transferred, liabilities incurred and/or equity interests issued by the Titan Group. The consideration also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. The subsequent movement in fair value of any contingent asset or liability is measured through the income statement. Acquisition-related costs are expensed to the income statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. 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.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Uniform accounting policies have been adopted across the Titan Group.

Revenue

Revenue consists primarily of the sale of goods and is measured as the fair value of the consideration received or receivable for the provision of goods in the ordinary course of business, taking into account trade discounts and volume rebates, and is stated net of sales taxes. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Titan Group and the amount of revenue can be reliably measured.

Revenue from product sales is recognised when the significant risks and rewards of ownership have been transferred to the customer, which is normally on delivery of the products.

Interest

Interest income and expense is recognised in the income statement using the effective interest method, except for finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are capitalised as part of the cost of those assets until such time as they are substantially ready for their intended use or sale.

Research and development

Research costs and development costs ineligible for capitalisation are written off to the income statement as incurred.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Costs include expenditures that are directly attributable to the acquisition and installation of the items and finance costs directly attributable to the acquisition, construction or production of qualifying assets. Depreciation is charged so as to write off the cost of assets, other than land or assets under construction, to their residual values using the straight-line method, over their estimated useful lives as follows:

- Buildings and improvements – 40 years
- Equipment – 3 to 15 years
- Vehicles – 3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Freehold land is not depreciated.

Assets in the course of construction are carried at cost, less any impairment in value. Depreciation of these assets commences when the assets are ready for their intended use. Computer software integral to an item of machinery is capitalised as part of the hardware. Property, plant and equipment are impaired if their recoverable amount falls below their carrying value. Impairment losses are charged to the income statement immediately.

Goodwill

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration paid exceeds the fair value of the net assets acquired.

Goodwill is recognised as an asset and is carried at cost. Goodwill is reviewed for impairment at least annually.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and impairment losses, where applicable. These assets have a finite life and are amortised in accordance with the pattern of expected future economic benefits, or when this cannot be reliably estimated, by using the straight-line method.

Intangible assets are amortised over the following periods:

- Customer relationships – 10 years
- Patented and unpatented technology – 10 to 15 years
- Trademark and domain names – 10 to 15 years
- Non-compete agreements – 3 to 5 years
- Licensing and certifications – 3 to 5 years

Impairments

Where impairment exists, the asset is written down to its recoverable amount, which is the higher of the fair value less costs to sell and value in use. Impairments are recognised immediately in the income statement.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method and net realisable value is the estimated selling price less costs of disposal in the ordinary course of business. Inventories include factory overhead that is applied on the basis of labour costs and manufacturing expenses incurred.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with a maturity of less than three months from the date of deposit that are readily convertible to a known amount of cash. Accrued interest is disclosed as part of the year-end balance.

For cash flow statement purposes, cash and cash equivalents include short-term deposits with a maturity of less than three months from the date of deposit. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Financial assets

Management determines the classification of financial assets at initial recognition and re-evaluates this designation at every reporting date. Financial assets are initially recognised at fair value at the trade date, which is normally the consideration paid, plus, in the case of financial assets that are not measured at fair value through profit and loss, transaction costs. The Titan Group assesses at each balance sheet date whether a financial asset is impaired by comparing its carrying value with the present value of the estimated future cash flows discounted at a rate relevant to the nature of the financial asset. Management will, however, use an alternative method where this would result in a more accurate fair value. If the carrying amount is higher, it is reduced to the appropriate value and the loss is recognised immediately. Financial assets cease to be recognised when the right to receive cash flows has expired or has been transferred and the Titan Group has transferred substantially all the risks and rewards of ownership.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Loans and receivables are carried at amortised cost using the effective interest method. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Interest accrued on loans carried at amortised cost is regarded as an integral part of the loan balance and therefore included within the carrying amount of those loans. Consequently, interest receivable within twelve months on loans due after more than one year is recognised within non-current assets.

Financial liabilities

Financial liabilities, including trade payables, are initially recognised at fair value at the trade date which is normally the consideration received less, in the case of financial liabilities that are not measured at fair value through profit or loss, transaction costs. The Titan Group subsequently re-measures all of its non-derivative financial liabilities, including trade payables, at amortised cost.

Payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Interest accrued on loans that are measured at amortised cost using the effective interest method is regarded as an integral part of the loan balance and therefore included within the carrying amount of those loans. Consequently, interest payable within twelve months on loans due after more than one year is recognised in non-current borrowings.

Debt issue costs

When it is probable that some or all of the loan facility will be drawn down, transaction costs are capitalised and amortised through interest expense using the effective interest method. When it is not probable that some or all of the loan facility will be drawn down, the facility fee is capitalised as a prepayment for services and amortised over the period of the facility to which it relates.

Derivatives and financial instruments

Derivatives are initially recognised at fair value as net proceeds received or consideration paid at the trade date and are subsequently re-measured at their fair value at each balance sheet date.

Changes in the fair value of derivatives that have not been designated in a hedge relationship are recognised immediately in the income statement.

Derivative and primary financial instruments that are designated in a hedge relationship are accounted for as cash flow hedges. Hedges of highly probable forecast transactions are cash flow hedges. The effective portion of changes in the fair value of derivatives designated in a cash flow hedge is recognised directly in equity. The gains and losses relating to the ineffective portion are recognised in the income statement. Amounts accumulated in equity are taken to the income statement at the same time the hedged item is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gains and losses that were reported in equity are immediately transferred to the income statement.

All of the Titan Group's hedges to which hedge accounting is applied, are tested for effectiveness prospectively and retrospectively and are fully documented as hedges at the point of inception of the hedge relationship.

Leases

All leases are operating leases and the rental of these is charged to the income statement as incurred over the life of the lease on a straight-line basis. Operating lease income is recognised in the income statement within other income as it is earned.

Employee benefits

Payments to defined contribution retirement schemes are entirely at the discretion of LLC's board and are charged to the income statement in the period when such payments are approved by the board. The Titan Group does not have any defined benefit retirement schemes.

Share-based payments

The Titan Group issues equity-settled share-based payments to certain employees as consideration for services received. The fair value of the employees' services is recognised as an expense in the income statement over the vesting period based on the Titan Group's estimate of awards that will ultimately vest.

The estimate of the number of awards likely to vest is reviewed at each balance sheet date and at the vesting date, where the estimate is adjusted to reflect current expectations. The adjustment is included as part of the underlying expense recognised in the income statement. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised. During 2010, 2009 and 2008, the Titan Group issued awards in the form of restricted units and unit appreciation rights, as further described in note 20.

Distributions

Distributions to members are recognised as liabilities in LLC's consolidated financial information in the period in which the distributions are approved and are dealt with in the statement of changes in equity.

Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments and assumptions about the future, resulting in the use of accounting estimates. These will, by definition, seldom equal the related actual results and adjustments will consequently be necessary. Estimates are continually evaluated, based on experience, consultation with experts and reasonable expectations of future events.

Accounting estimates are applied in determining the carrying amounts of the following significant assets and liabilities: goodwill (note 10) and intangible assets (note 11) with respect to impairment.

Taxation

LLC has elected federal income tax status as a limited liability company under the United States Internal Revenue Code. The effect is that the profit/loss for the year, as well as income tax credits and tax preference items, are recognised on the individual income tax returns of the members. Accordingly, federal income taxes are not reflected in the financial information and no deferred tax positions arise.

In 2006, the State of Texas enacted the Texas Margin Tax Bill (effective 1 January 2007), imposing a state income tax generally based on a specified percentage of gross margin.

Foreign currencies

The financial information for each of the Titan Group's subsidiaries is prepared using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates.

The presentation and functional currency of LLC is the United States dollar.

Transactions in currencies other than the functional currency of LLC are translated at the spot rate and any exchange differences arising at settlement are taken to the income statement.

For consolidation purposes, the net assets of foreign subsidiaries are translated into U.S. dollars at the exchange rates ruling at the balance sheet date. The income statements of foreign subsidiaries are translated into U.S. dollars at the average rates of exchange for the year.

Segmental reporting

Operating segments have been determined based on information regularly reviewed by the Chief Operating Decision Maker, the CEO. All of the Titan Group's operating segments are subject to similar risks and returns and exhibit similar economic characteristics and one reportable segment has therefore been identified, being the provision of downhole tools and equipment to the oil and gas industry. This single reportable segment has been determined on the basis of the similarity between and interconnectedness of all of the Titan Group's products which are sold to both large integrated well providers and smaller independent wireline operators. In 2010, one large end-customer contributed more than 10 per cent. of the Titan Group's revenue (contributing $18.8 million (in 2009 and 2008, the same customer contributed $10.7 million and $10.4 million respectively)). In 2009 an additional customer contributed more than 10 per cent. of the Titan Group's revenue (contributing $8.7 million (in 2008, the same customer contributed $13.9 million)) and in 2008, no end-customer contributed more than 10 per cent. of the Titan Group revenue.

The majority of the Titan Group's operations and customers are based in the US, where the Titan Group is domiciled, and the Titan Group has no material assets outside of the US. In 2010, $10.5 million of the Titan Group's revenues were attributable to sales to customers outside of the US (based on the location of where the sale originated) (2009: $8.2 million; 2008: $9.5 million). These amounts include sales to customers based in Canada of $6.1 million in 2010 (2009: $3.0 million; 2008: $5.0 million).

3. Operating expenses

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Administration expenses	30.1	25.3	24.6
Distribution costs	3.7	2.5	2.6
Operating expenses	33.8	27.8	27.2

4. Employees

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Staff costs during the year comprised:			
Wages and salaries	17.1	10.3	13.3
Share-based payments expense	1.0	1.5	0.9
Payroll taxes	1.7	1.3	1.4
Retirement benefits	1.0	–	1.3
Total staff costs	20.8	13.1	16.9

	2010	*2009*	*2008*
	Number	*Number*	*Number*
The average monthly number of employees (including executive Directors) comprised:			
USA	363	313	346
Canada	3	–	–
	366	313	346

Key management comprises the LLC senior management team. Their compensation is:

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Salaries and short-term benefits	3.3	1.9	1.9
Share-based payments	0.4	0.5	0.3
	3.7	2.4	2.2

5. EBITDA

Earnings before interest, tax, depreciation and amortisation ("EBITDA") comprises:

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Profit from operations	31.9	3.0	33.8
Add: Depreciation and amortisation	16.6	15.8	15.4
	48.5	18.8	49.2

6. Net finance costs

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Finance income:			
Bank balances and deposits	0.1	0.1	0.5
Other income	–	–	0.1
	0.1	0.1	0.6
Finance expense:			
Borrowings	8.6	9.0	13.8
Derivative related interest expense	1.0	3.7	2.4
Amortisation of debt issuance costs	0.7	0.7	0.7
	10.3	13.4	16.9
Net finance expense	10.2	13.3	16.3

7. Profit from operations

The following items have been charged in arriving at profit from operations:

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Staff costs (note 4)	20.8	13.1	16.9
Depreciation of property, plant and equipment	3.2	2.8	2.3
Amortisation of other intangible assets	13.4	13.0	13.1
Impairment of trade and other receivables (included in administration expenses)	0.6	0.5	0.1
Impairment of obsolete inventory	1.8	0.4	–
Cost of inventories recognised as expense (included in cost of sales)	83.1	47.6	70.4
Research and development	0.9	0.4	0.3
Operating lease payments	0.7	0.4	0.2

Services provided by the Titan Group's auditors Robinson, Burdette, Martin and Seright, LLP comprised:

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Audit of the Titan Group	0.1	0.1	0.1

8. Taxation

Texas franchise tax expense under the Texas Margin Tax Bill totalled $0.5 million, $0.3 million and $0.5 million for the years ended 31 December 2010, 2009 and 2008, respectively.

9. Property, plant and equipment

			Year ended 31 December 2010		
	Land	*Buildings and improvements*	*Equipment*	*Vehicles*	*Total*
	$m	*$m*	*$m*	*$m*	*$m*
Cost:					
At 1 January	2.6	18.0	17.0	1.4	39.0
Additions	0.3	3.1	4.4	0.6	8.4
At 31 December	2.9	21.1	21.4	2.0	47.4
Depreciation:					
At 1 January	–	1.3	4.9	0.5	6.7
Charge for the period	–	0.6	2.3	0.3	3.2
At 31 December	–	1.9	7.2	0.8	9.9
Net book value					
At 31 December	2.9	19.2	14.2	1.2	37.5

			Year ended 31 December 2009		
	Land	*Buildings and improvements*	*Equipment*	*Vehicles*	*Total*
	$m	*$m*	*$m*	*$m*	*$m*
Cost:					
At 1 January	2.6	17.8	16.3	1.2	37.9
Additions	–	0.2	0.7	0.2	1.1
At 31 December	2.6	18.0	17.0	1.4	39.0
Depreciation:					
At 1 January	–	0.8	2.8	0.3	3.9
Charge for the period	–	0.5	2.1	0.2	2.8
At 31 December	–	1.3	4.9	0.5	6.7
Net book value					
At 31 December	2.6	16.7	12.1	0.9	32.3

			Year ended 31 December 2008		
	Land	*Buildings and improvements*	*Equipment*	*Vehicles*	*Total*
	$m	*$m*	*$m*	*$m*	*$m*
Cost:					
At 1 January	2.5	15.1	12.0	0.7	30.3
Additions	0.1	2.7	4.4	0.5	7.7
Disposals	–	–	(0.1)	–	(0.1)
At 31 December	2.6	17.8	16.3	1.2	37.9
Depreciation:					
At 1 January	–	0.3	1.2	0.1	1.6
Charge for the period	–	0.5	1.6	0.2	2.3
At 31 December	–	0.8	2.8	0.3	3.9
Net book value					
At 31 December	2.6	17.0	13.5	0.9	34.0

Assets under construction totalled $0.7 million, $nil and $nil for the years ended 31 December 2010, 2009 and 2008, respectively. These assets are primarily related to buildings and improvements at the Milford, Texas and Dilley, Texas facilities.

The net book amount of property, plant and equipment at 1 January 2008 was $28.7 million.

10. Goodwill

	2010	*2009*	*2008*
	$m	*$m*	*$m*
Cost:			
At 1 January	84.8	84.8	84.8
Acquisitions	9.1	–	–
At 31 December	93.9	84.8	84.8
Impairment:			
At 1 January	–	–	–
Additions	–	–	–
At 31 December	–	–	–
Net book amount	93.9	84.8	84.8

The net book amount of goodwill at 1 January 2008 was $84.8 million.

Additions to goodwill arose on the acquisition of EBS (see note 23) in April 2010 and reflects the future economic benefits arising from the entirety of the business assets acquired including anticipated future profitability and the ability to leverage relationships, assembled workforce and unpatented technologies.

Impairment tests for goodwill

Goodwill is assessed annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amount of goodwill is determined from value in use calculations using discounted cash flows for five years with a growth rate factor. Management has estimated a discount rate of 11.5 per cent. (2009 and 2008 – 8 per cent.) that reflects a current market assessment of the time value of money and risks specific to the Titan Group. Growth rates of approximately 4.0 per cent. to 6.0 per cent. are estimated based on management's knowledge of the market and by reference to past performance. The recoverable amounts have been determined in relation to their fair values less costs to sell, which takes into account the price and terms offered by Hunting to acquire the business as a whole. The Titan Group considers that goodwill is not impaired at 31 December 2010, 2009 and 2008. In addition, having performed a sensitivity analysis, management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the goodwill to exceed its recoverable amount.

11. Other intangible assets

	Year ended 31 December 2010					
	Customer relationships $m	*Patented and unpatented technology $m*	*Trademarks and domain names $m*	*Licensing and certifications $m*	*Non-compete agreements $m*	*Total $m*
Cost:						
At 1 January	80.7	42.4	15.1	0.1	3.4	141.7
Additions	–	–	0.1	0.2	–	0.3
Acquisitions	–	2.3	–	–	–	2.3
At 31 December	80.7	44.7	15.2	0.3	3.4	144.3
Accumulated amortisation:						
At 1 January	22.6	6.3	3.1	–	3.1	35.1
Amortisation charge for the period	8.1	3.5	1.5	–	0.3	13.4
At 31 December	30.7	9.8	4.6	–	3.4	48.5
Net book value at end of period	50.0	34.9	10.6	0.3	–	95.8

	Year ended 31 December 2009					
	Customer relationships $m	*Patented and unpatented technology $m*	*Trademarks and domain names $m*	*Licensing and certifications $m*	*Non-compete agreements $m*	*Total $m*
Cost:						
At 1 January	80.7	25.9	15.1	–	3.4	125.1
Additions	–	16.5	–	0.1	–	16.6
At 31 December	80.7	42.4	15.1	0.1	3.4	141.7
Accumulated amortisation:						
At 1 January	14.5	4.0	1.6	–	2.0	22.1
Amortisation charge for the period	8.1	2.3	1.5	–	1.1	13.0
At 31 December	22.6	6.3	3.1	–	3.1	35.1
Net book value at end of period	58.1	36.1	12.0	0.1	0.3	106.6

	Year ended 31 December 2008				
	Customer relationships	*Patented and unpatented technology*	*Trademarks and domain names*	*Non-compete agreements*	*Total*
	$m	*$m*	*$m*	*$m*	*$m*
Cost:					
At 1 January	80.7	21.4	15.1	3.4	120.6
Additions	–	4.5	–	–	4.5
At 31 December	80.7	25.9	15.1	3.4	125.1
Accumulated amortisation:					
At 1 January	6.4	1.6	0.1	0.9	9.0
Amortisation charge for the period	8.1	2.4	1.5	1.1	13.1
At 31 December	14.5	4.0	1.6	2.0	22.1
Net book value at end of period	66.2	21.9	13.5	1.4	103.0

The net book value of other intangible assets at 1 January 2008 was $111.6 million.

12. Inventories

	2010	*2009*	*2008*	*2007*
	$m	*$m*	*$m*	*$m*
Raw materials	10.5	7.6	10.3	8.0
Work in progress	4.4	2.7	4.3	2.7
Finished goods	54.3	34.8	32.8	29.4
Less: provision for losses	(2.2)	(0.4)	–	–
	67.0	44.7	47.4	40.1

13. Trade and other receivables

	2010	*2009*	*2008*	*2007*
	$m	*$m*	*$m*	*$m*
Current:				
Trade receivables	33.4	14.8	16.6	12.3
Less: provision for impairment of receivables	(1.0)	(0.6)	(0.1)	–
Net trade receivables	32.4	14.2	16.5	12.3
Prepayments	1.0	1.0	1.2	1.0
Other receivables	0.1	0.3	0.1	0.2
	33.5	15.5	17.8	13.5

Trade receivables that are not past due and not impaired are expected to be fully recovered as there is no recent history of default or any indications that the customers will not meet their payment obligations.

Impaired receivables mainly relate to debtors in financial difficulty where defaults in payments have occurred or concerns have been raised about the customer's liquidity. Trade receivables are impaired when there is evidence that the Titan Group will not be able to collect all amounts due according to the original terms of the sale.

At 31 December 2010, 2009, 2008 and 2007, trade receivables of $15.8 million, $5.7 million $4.3 million and $4.8 million were past due but not impaired. The ageing of trade receivables at 31 December 2010, 2009, 2008 and 2007 is as follows:

	2010	2009	2008	2007
	$m	*$m*	*$m*	*$m*
1 - 30 days	9.0	3.1	3.4	4.0
31 - 60 days	2.9	1.0	0.8	0.4
61 - 90 days	1.2	0.7	0.1	0.2
91 - 120 days	0.8	0.1	–	0.1
more than 120 days	1.9	0.8	–	0.1
Receivables past due	15.8	5.7	4.3	4.8
Receivables not past due	16.6	8.5	12.2	7.5
Total trade receivables	32.4	14.2	16.5	12.3

All of these balances relate to customers for whom there is no recent history of default.

At 31 December 2010, 2009, 2008 and 2007, $nil of trade receivables were not past due but impaired and $1.0 million, $0.6 million, $0.1 million and $nil were past due and impaired and a provision of $1.0 million, $0.6 million, $0.1 million and $nil was made following evidence that the amounts would not be collectable under the original terms of the receivable. The Titan Group does not hold any collateral as security and no assets have been acquired through the exercise of any collateral previously held.

The movements in the provision for impairment of trade receivables are shown below:

	2010	2009	2008	2007
	$m	*$m*	*$m*	*$m*
At 1 January	0.6	0.1	–	–
Provision for receivables impairment	0.6	0.6	0.1	–
Receivables written off during the year	(0.2)	–	–	–
Unused amounts reversed	–	(0.1)	–	–
At 31 December	1.0	0.6	0.1	–

The other classes of financials assets within trade and other receivables do not contain impaired assets.

Trade receivables held in foreign currencies was $1.5 million for the year ended 31 December 2010 and $nil for the years ended 31 December 2009, 2008 and 2007, respectively, as shown in note 21.

Due to the nature of the Titan Group's business, trade receivables are concentrated in customers operating in the oil and natural gas drilling industry. This concentration of customers may impact the Titan Group's overall credit risk, either positively or negatively, in that these entities may be similarly affected by changes in economic or other conditions. The Titan Group's risk is generally mitigated by the size, reputation and nature of its customers. The maximum exposure to credit risk is the fair value of the receivables, as shown in note 22.

14. Cash and cash equivalents

	2010	2009	2008	2007
	$m	*$m*	*$m*	*$m*
Cash at bank and in hand	11.5	10.9	19.6	5.3
Short-term deposits	14.4	9.5	3.7	7.7
Cash and cash equivalents in the statement of financial position	25.9	20.4	23.3	13.0

15. Trade and other payables

	2010 *$m*	2009 *$m*	2008 *$m*	2007 *$m*
Current:				
Trade payables	7.9	2.3	5.2	2.7
Accruals	9.3	3.3	5.5	4.0
Distributions payable	2.4	–	6.0	0.2
Total trade and other payables	19.6	5.6	16.7	6.9

16. Borrowings

	2010 *$m*	2009 *$m*	2008 *$m*	2007 *$m*
Non-current:				
Bank loans	162.7	163.3	163.8	173.7
Related party borrowings	16.8	15.5	14.4	13.3
Acquisition related borrowings	6.0	8.2	–	–
	185.5	187.0	178.2	187.0
Current:				
Bank loans	1.2	1.3	4.7	1.4
Acquisition related borrowings	2.2	2.1	–	–
	3.4	3.4	4.7	1.4
Total borrowings	188.9	190.4	182.9	188.4
Debt issuance costs included in borrowings				
Book value of debt issuance costs at start of period	2.5	3.2	3.9	4.5
Amortised in period	(0.7)	(0.7)	(0.7)	(0.6)
At end of period	1.8	2.5	3.2	3.9

The Titan Group has total borrowings of $188.9 million, $190.4 million, $182.9 million and $188.4 million at 31 December 2010, 2009, 2008 and 2007, respectively, all of which are denominated in U.S. dollars.

The Titan Group's borrowings at 31 December 2010, 2009, 2008 and 2007 consisted of the following:

	31 December 2010			
	Interest Rate	*Maturity Date*	*Issuance Amount $m*	*Ending Balance $m*
Floating rate debt				
Facility 1	Adjusted LIBOR plus 2.75%	2013	135.0	118.9
Facility 2	Adjusted LIBOR plus 6.25%	2014	45.0	45.0
Fixed rate debt				
Facility 3	8.00%	2014	12.5	16.8
Facility 4 (note 23)	6.00%	2011	0.5	0.3
Imputed rate debt				
Facility 5 (note 23)	2.64%	2014	9.8	7.9
			202.8	188.9

	31 December 2009			
	Interest Rate	*Maturity Date*	*Issuance Amount $m*	*Ending Balance $m*
Floating rate debt				
Facility 1	Adjusted LIBOR plus 3.00%	2013	135.0	119.6
Facility 2	Adjusted LIBOR plus 6.25%	2014	45.0	45.0
Fixed rate debt				
Facility 3	8.00%	2014	12.5	15.5
Facility 4 (note 23)	6.00%	2011	0.5	0.5
Imputed rate debt				
Facility 5 (note 23)	2.64%	2014	9.8	9.8
			202.8	190.4

	31 December 2008			
	Interest Rate	*Maturity Date*	*Issuance Amount $m*	*Ending Balance $m*
Floating rate debt				
Facility 1	Adjusted LIBOR plus 2.75%	2013	135.0	123.5
Facility 2	Adjusted LIBOR plus 6.25%	2014	45.0	45.0
Fixed rate debt				
Facility 3	8.00%	2014	12.5	14.4
			192.5	182.9

		31 December 2007		
	Interest Rate	*Maturity Date*	*Issuance Amount $m*	*Ending Balance $m*
Floating rate debt				
Facility 1	Adjusted LIBOR plus 2.75%	2013	135.0	130.1
Facility 2	Adjusted LIBOR plus 6.25%	2014	45.0	45.0
Fixed rate debt				
Facility 3	8.00%	2014	12.5	13.3
			192.5	188.4

Revolving line of credit

On 13 March 2007, LLC executed a $25.0 million first lien senior secured revolving facility (the "Revolving Facility") with a syndicate of banks, financial institutions and other lenders (the "Lenders"), with Credit Suisse Securities (USA) LLC ("CS Securities") as the lead arranger and bookrunner, and Credit Suisse ("CS") as the sole administrative agent and collateral agent. The terms and conditions of the Revolving Facility agreement allow LLC to borrow sums in minimum principal amounts, from time to time for general corporate purposes, including permitted acquisitions and investments.

Loans under the Revolving Facility are required to be repaid no later than 12 March 2012. LLC has agreed to pay a facility fee of 0.50 per cent. per annum on the undrawn portion of the commitment for the Revolving Facility. Interest on borrowings under the Revolving Facility would bear interest at a rate determined similar to the First Lien Term Facility.

As of 31 December 2010, 2009, 2008 and 2007 LLC had not made any drawings under the Revolving Facility.

Facility 1

In partial financing of the acquisition by Riverstone, on 13 March 2007, LLC entered into a $135.0 million first lien senior secured credit facility (the "First Lien Term Facility") with a syndicate of banks, financial institutions and other lenders. CS Securities served as the lead arranger and bookrunner for the First Lien Term Facility, with CS as the sole administrative agent and collateral agent. The terms and conditions of the First Lien Term Facility require quarterly principal payments of $0.3 million each, with the balance payable on 12 March 2013. The outstanding balance of the debt was $118.9 million, $119.6 million, $123.5 million and $130.1 million, at 31 December 2010, 2009, 2008 and 2007, respectively.

Interest Rates. The interest rates under the First Lien Term Facility are as follows: At the option of LLC, (i) if the corporate family rating of LLC is at least B2 by Moody's and the corporate credit rating of LLC is at least B by Standard and Poor's, Adjusted LIBOR plus 2.50 per cent. or ABR plus 1.50 per cent., (ii) if clause (i) is not satisfied but the corporate family rating of LLC is at least B3 by Moody's and the corporate credit rating of LLC is at least B- by Standard & Poor's, in each case with no negative outlook, Adjusted LIBOR plus 2.75 per cent. or ABR plus 1.75 per cent. and (iii) otherwise, Adjusted LIBOR plus 3.00 per cent. or ABR plus 2.00 per cent. LLC may elect interest periods of 1, 2, 3 or 6 months (or 9 or 12 months if available from all relevant lenders) for Adjusted LIBOR borrowings.

ABR is the Alternate Base Rate, which is the higher of CS's Prime Rate and the Federal Funds Effective Rate plus ½ of 1.0 per cent. Adjusted LIBOR is an interest rate per annum equal to the product of (a) the LIBOR Rate in effect for such interest period and (b) statutory reserves.

Calculation of interest is on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans based on the Prime Rate) and interest is payable at the end of each interest period and, in any event, at least every three months.

At 31 December 2010, 2009, 2008 and 2007 the interest rate on the First Lien term Facility was 3.05 per cent., 3.25 per cent., 4.21 per cent. and 7.58 per cent., respectively. Interest expense on the First Lien Term Facility was $4.0 million, $4.6 million and $8.2 million for the years ended 31 December 2010, 2009, and 2008, respectively.

Collateral: The First Lien Term Facility is secured by a perfected first-priority pledge of all equity interests and virtually all of the assets of the Titan Group, including general intangibles. There is no difference between collateral pledged and carrying amounts of assets in the balance sheet.

Covenants: The First Lien Term Facility contains numerous restrictive covenants relating to the maintenance of certain financial ratios and to the management and operation of the Titan Group. The covenants include, among other restrictions, limitations on dividends on, and redemptions of, equity interest and other restricted payments; limitations on prepayments, redemptions and repurchases of debt (other than loans under the First Lien Facilities); limitations on liens, sale-leaseback transaction, loans, investments, debt, guarantees, mergers, acquisitions, and asset sales; limitations on transactions with affiliates; and limitations on payment of management and other similar fees.

Financial covenants require the Titan Group to maintain minimum interest coverage ratios on a quarterly basis of 2.25, 2.00 and 1.75 for the periods 31 March 2010 – 31 December 2010, 30 September 2008 – 31 December 2009 and 31 March 2007 – 30 June 2008 and maximum leverage ratios of 3.50, 4.25, 4.75, 5.00 and 5.50 for the periods 31 March 2010 – 30 March 2011, 31 March 2009 – 30 March 2010, 30 September 2008 – 30 March 2009, 31 March 2008 – 29 September 2008, and 31 March 2007 – 30 March 2008, respectively. The covenants also include annual limitations on capital expenditures.

Prepayments: The First Lien Term Facility requires mandatory prepayments based upon a percentage of excess cash flow generated by the Titan Group, if any. In 2009, the Titan Group made a mandatory prepayment of $3.5 million based on 2008 excess cash flow, as defined. No prepayment was required in fiscal year 2010, based on 2009 cash flows, and no prepayment will be required in fiscal year 2011, based on 2010 cash flows.

Facility 2

On 13 March 2007, LLC entered into a second lien senior secured credit facility (the "Second Lien Term Facility") for $45.0 million, syndicated and arranged similar to the First Lien Term Facility. The terms and conditions of the Second Lien Term facility do not require principal payments until 12 March 2014, the maturity date. The outstanding balance of the debt was $45.0 million at 31 December 2010, 2009, 2008 and 2007, respectively.

Interest Rates: The interest rate under the Second Lien Term Facility is based on Adjusted LIBOR plus 6.25 per cent., with Adjusted LIBOR determined in a matter similar to the First Lien Term Facility. LLC may elect interest periods of 1, 2, 3 or 6 months (or 9 or 12 months if available from all relevant lenders). Interest on the Second Lien Term Facility is calculated in the same manner as the First Lien Term Facility.

At 31 December 2010, 2009, 2008 and 2007 the interest rate on the Second Lien Term Facility was 6.55 per cent., 6.50 per cent., 7.71 per cent., and 11.08 per cent., respectively. Interest expense on the Second Lien Term Facility was $3.0 million, $3.3 million and $4.5 million for the years ended December 31, 2010, 2009, and 2008, respectively.

Collateral: The Second Lien Term Facility and the guarantees thereon are secured on a priority basis by all of the collateral securing the First Lien Credit Facility and the Revolving Facility.

Covenants: Much like the First Lien Term Facility, the Second Lien Term Facility contains restrictive covenants relating to the management and operation of the Titan Group. Financial covenants for the Second Lien Term Facility require the Titan Group to maintain leverage ratios not to exceed 4.00, 4.75, 5.25, 5.50, and 6.00 for the periods 31 March 2010 – 30 March 2011, 31 March 2009 – 30 March 2010, 30 September 2008 – 30 March 2009, 31 March 2008 – 29 September 2008, and 31 March 2007 – 30 March 2008, respectively. The covenants also include annual limitations on capital expenditures, although less restrictive than those noted for the First Lien Term Facility.

Facility 3

On 13 March 2007, the Titan Group issued a $12.5 million subordinated PIK note (the "PIK Note") with a member. Per the terms of the subordinated note agreements, interest on the PIK Note accrues at a rate of 8.00 per cent. per annum, computed on the basis of a 360-day year. Interest is payable annually on 13 March, either in cash or, at the option of the Titan Group, by the issuance of a promissory note to the payee equal to the accrued and unpaid interest. No payments are required until the 12 September 2014 maturity date, at which time the principal balance and all accrued and unpaid interest are payable in full. On 13 March 2010, 2009 and 2008 the Titan Group issued additional promissory notes to the payee for principal sums totalling $1.2 million, $1.1 million and $1.0 million, respectively, each representing the amount of accrued and unpaid interest as at that date. Interest expense on the PIK Note was $1.2 million, $1.2 million, and $1.1 million for the years ended 31 December 2010, 2009, and 2008, respectively. The outstanding balance of the PIK Note including accrued interest was $16.8 million, $15.5 million, $14.4 million and $13.3 million as at 31 December 2010, 2009, 2008 and 2007, respectively.

17. Derivative financial instruments

Derivative financial instruments are contractual agreements with a value which reflects price movement in an underlying asset. The Titan Group uses derivative financial instruments to economically hedge cash flow risks. These derivative financial instruments are not held for trading purposes and are classified as cash flow hedges. Since these instruments are classified as hedges, they are reflected on the balance sheet at their fair value and any changes in fair value during the period are recognised as components of other comprehensive income.

Interest rate swap

The Titan Group's purpose in entering into swap arrangements is to eliminate the variability of cash flows in the interest payments on the Titan Group's variable rate debt. Under the swap transactions the Titan Group makes fixed rate payments and receives floating rate payments to convert the floating rate borrowings to fixed rate obligations. The counterparties to these arrangements are highly rated financial institutions. In the unlikely event that the counterparties fail to meet the terms of the interest rate swap contracts, the Titan Group's exposure is limited to the interest rate differential on the notional amount at each settlement period over the life of the agreements. The counterparties did not fail to meet their obligation during the contract periods.

On 12 June 2007, LLC entered into an interest rate swap agreement for the notional amount of $90.0 million, in connection with debt Facility 1. LLC received interest at a rate equal to the 3-month LIBOR and paid interest at a fixed rate of 5.41 per cent. This interest rate swap agreement settled quarterly and terminated on 30 June 2009. The notional amount on the swap was not exchanged.

LLC entered into a second swap agreement on 13 August 2007 for a notional amount of $45.0 million in connection with debt Facility 2. LLC received interest at a rate equal to the 3-month LIBOR and paid interest at a fixed rate of 4.97 per cent. This interest rate swap settled quarterly and terminated on 30 June 2010. The notional amount on the swap was not exchanged.

These hedges are considered highly effective, thus the results of the swap arrangements are included in interest expense in the income statement. The effect for each of the years ended 31 December 2010, 2009 and 2008 was to increase interest expense by $1.0 million, $3.7 million and $2.4 million, respectively. The fair value liability of the interest rate swaps as reflected in the balance sheet at 31 December 2010, 2009, 2008 and 2007 amounted to $nil, $1.0 million, $4.3 million and $3.4 million, respectively. The change in the fair value of the interest rate swap was recognised in other comprehensive income which totalled $1.0 million, $3.3 million and $(0.9) million for the years ended 31 December 2010, 2009 and 2008, respectively. Ineffectiveness of $nil arose on cash flow hedges during the years ended 31 December 2010, 2009 and 2008.

18. Members' equity

	2010	*2009*	*2008*
	$m	*$m*	*$m*
At 1 January	105.9	109.8	96.4
Profit (loss) for the year	21.2	(10.6)	17.0
Capital contributions	17.0	7.5	2.5
Distributions	(2.4)	(0.8)	(6.1)
At 31 December	141.7	105.9	109.8

Class A units

Under the terms of the Amended and Restated Limited Liability Company Agreement (the "Agreement"), effective 13 March 2007, the members committed to contribute to LLC up to $78.7 million. Of this commitment amount, the members have contributed the entire $78.7 million as of 31 December 2010. Class A units were issued by LLC upon the effective date of the Agreement and additional Class A units have subsequently been issued as determined by the LLC Board. The LLC Board has the right to create additional series or classes through subdivision or issuance of units of such class or series. In accordance with the Agreement, only Class A units are entitled to vote on any pending matters.

The details of Class A units are set out below:

	2010		*2009*		*2008*	
	Number of units	*$m*	*Number of units*	*$m*	*Number of units*	*$m*
At 1 January	1,028,981	103.0	954,481	95.5	929,481	93.0
Units issued	170,490	17.0	74,500	7.5	25,000	2.5
At 31 December	1,199,471	120.0	1,028,981	103.0	954,481	95.5

Class A member unreturned contribution accounts

Each Class A member has an Unreturned Contribution Account ("UCA") that is comprised of the cumulative capital contributions of each member, less the cumulative distributions made to the member. Each Class A member has a Preferred Return ("PR") accruing on the balance of their UCA. The Agreement requires that an 8.0 per cent. return per annum, compounded annually, be received on each member's UCA. The PR will begin to accrue on the balances in such member's UCA from the date such contributions are made until they are returned to such member.

Available cash from operations or from a liquidation event will be distributed to members at such a time as to be determined by the Board of Managers. Distributions will be paid out as follows:

- first, to the Class A members, in proportion to, and to the extent of, each Class A member's UCA;
- second, to the Class A members in proportion to, and to the extent necessary to distribute to each Class A member, its PR;
- third, to all other members in proportion to the number of units held by each member.

The details of Class A member unreturned contribution accounts are set out below:

	2010	*2009*	*2008*
	$m	*$m*	*$m*
At 1 January	113.3	103.7	94.0
Add: Capital contributions	17.0	7.5	2.5
Add: Preferred return	10.4	8.9	7.5
Less: Distributions paid	–	(6.8)	(0.3)
At 31 December	140.7	113.3	103.7

Class B units

Class B units comprise the award units described in note 20. Such awards are issued under the terms of the TSI Acquisition Holdings LLC Membership Interest Incentive Plan and the Unit Appreciation Rights Plan. Class B units are management incentive units only and hold no voting rights and require no capital contribution. These units are eligible for distributions after Class A members have received the first and second priority distributions as set out above.

19. Other reserves

	Year ended 31 December 2010		
	Hedging reserve $m	*Share-based payment reserve $m*	*Total $m*
At 1 January	(1.0)	2.4	1.4
Losses transferred to income statement on maturity of cash flow hedges	1.0	–	1.0
Share-based awards	–	1.0	1.0
At 31 December	–	3.4	3.4

	Year ended 31 December 2009		
	Hedging reserve $m	*Share-based payment reserve $m*	*Total $m*
At 1 January	(4.3)	0.9	(3.4)
Losses originating on cash flow hedges arising during the period	(0.4)	–	(0.4)
Losses transferred to income statement on maturity of cash flow hedges	3.7	–	3.7
Share-based awards	–	1.5	1.5
At 31 December	(1.0)	2.4	1.4

	Year ended 31 December 2008		
	Hedging reserve $m	*Share-based payment reserve $m*	*Total $m*
At 1 January	(3.4)	–	(3.4)
Losses originating on cash flow hedges arising during the period	(3.3)	–	(3.3)
Losses transferred to income statement on maturity of cash flow hedges	2.4	–	2.4
Share-based awards	–	0.9	0.9
At 31 December	(4.3)	0.9	(3.4)

20. Share-based payments

Membership Interest Incentive Plan

LLC adopted the TSI Acquisition Holdings LLC Membership Interest Incentive Plan ("RU Plan") in August 2007. The RU Plan allows restricted units ("RU") in the form of one Class B unit to be granted to employees, consultants and directors as determined by the Board of Managers. Upon such grant the recipient shall be advised in writing of the terms, conditions and restrictions related to the RUs including the price to be paid, if any. The interest in a recipient's RUs vest annually over a number of years: 66.7 per cent. upon completion of service requirements and 33.3 per cent. upon meeting certain performance targets as set forth in the award agreement. The recipient's interest in RUs subject to performance targets is further broken down into tier 1 and tier 2 performance goals, with each tier receiving 50 per cent. of the total RUs subject to performance goals. Additionally, the RU Plan allows for certain catch-up vesting provisions when the Titan Group performs in excess of the performance targets and all RUs fully vest upon a change of control. At such time there is a change of control, a recipient's UARs shall fully vest and be paid in Class B units as determined by the Board.

The details of RU award movements are as follows:

	Number of units 2010	*Number of units 2009*	*Number of units 2008*
At 1 January	66,474	62,474	–
Granted during the year	18,000	4,000	62,474
Lapsed during the year	(2,798)	–	–
At 31 December	81,676	66,474	62,474

Details of each RU award outstanding at 31 December are as follows:

	Number of units 2010	*Number of units 2009*	*Number of units 2008*	*Final Vesting Date*
Date of grant:				
29 February 2008	35,680	38,478	38,478	28.02.13
31 December 2008	17,000	17,000	17,000	31.12.12
31 December 2008	6,996	6,996	6,996	24.03.13
16 March 2009	4,000	4,000	–	16.03.14
15 December 2010	18,000	–	–	15.12.15
Outstanding at the end of the year	81,676	66,474	62,474	

The fair value of the RU awards at the grant date was calculated using a combination of Black-Scholes and binomial lattice models. The assumptions used in the models were as follows:

	2010	*2009*	*2008*
Assumptions:			
Expected volatility - comparator companies	46.3%	42.5%	41.6%
Risk free rate	2.1%	1.9%	1.6%
Expected life	5 years	5 years	5 years
Fair value of Class B Units	$232.66	$0.61	$48.22

The accounting charge for the RU awards is adjusted for an estimate of the number of awards that are expected to lapse for those employees who cease employment during the vesting period and forfeit a portion of their award.

The charge to the income statement attributable to the RU awards was $0.6 million, $0.8 million and $0.5 million for the years ended 31 December 2010, 2009 and 2008, respectively, which is recognised in operating expenses.

Unit Appreciation Rights Plan

LLC adopted the Unit Appreciation Rights Plan ("UAR Plan") in February 2008. The UAR Plan allows unit appreciation rights ("UARs") to be granted to Titan Group employees and affiliates. Each UAR is equivalent to the UARs Distribution Event Value of one Class B unit as of the Distribution Event date, as determined by the Board, minus the UARs Base Value of one Class B unit. The Base Value shall not be less than the value of the Class B unit on the effective date of the grant of the UAR, which is also determined by the Board. The award of UARs under the Plan do not entitle the recipient to any distribution or voting rights or any other rights as a member of LLC with respect to such UARs or Class B units. The interest in a recipient's UARs vest annually over a number of years: 66.7 per cent. upon completion of service requirements and 33.3 per cent. upon meeting certain performance targets as set forth in the award agreement. The recipient's interest in UARs subject to performance targets is further broken down into tier 1 and tier 2 performance goals, with each tier receiving 50 per cent. of the total UARs subject to performance goals. Additionally, the UAR Plan allows for certain catch-up vesting provisions when the Titan Group performs in excess of management's targets. UARs can only be redeemed upon a Distribution Event which is defined in the UAR Plan as a change of control. At such time there is a change of control, a recipient's UARs shall fully vest and be paid in Class B units as determined by the Board.

The details of UAR award movements are as follows:

	Number of units 2010	*Number of units 2009*	*Number of units 2008*
At 1 January	31,295	29,295	–
Granted during the year	9,500	2,000	29,295
Lapsed during the year	–	–	–
At 31 December	40,795	31,295	29,295

Details of each UAR award outstanding at 31 December are as follows:

	Number of units 2010	*Number of units 2009*	*Number of units 2008*	*Final Vesting Date*
Date of grant:				
29 February 2008	29,295	29,295	29,295	28.02.13
16 March 2009	2,000	2,000	–	16.03.14
11 May 2010	5,000	–	–	11.05.15
15 December 2010	4,500	–	–	15.12.15
Outstanding at the end of the year	40,795	31,295	29,295	

The fair value of the UAR awards was calculated using a combination of Black-Scholes and binomial lattice models. The assumptions used in the models were as follows:

	2010	2009	2008
Assumptions:			
Expected volatility - comparator companies	46.3%	42.5%	41.6%
Risk free rate	2.1%	1.9%	1.6%
Expected life	5 years	5 years	5 years
Fair value of Class B Units	$232.66	$0.61	$48.22

The accounting charge of the UAR awards is adjusted for an estimate of the number of awards that are expected to lapse for those employees who cease employment during the vesting period and forfeit a portion of their award.

The charge to the income statement attributable to the UAR awards was $0.4 million, $0.7 million and $0.4 million for the years ended 31 December 2010, 2009 and 2008, respectively, which is recognised in operating expenses.

21. Financial risk factors

The Titan Group's activities expose it to certain financial risks, namely foreign exchange risk, transactional risk, interest rate risk, credit risk and liquidity risk. The Titan Group's risk management strategy seeks to mitigate potential adverse effects on its financial performance. As part of its strategy, derivative financial instruments are used to hedge its risk exposure.

Foreign exchange risk

The Titan Group is exposed to foreign exchange risk from its investing, financing and operating activities with respect to non-U.S. activities, in particular in respect of Canadian dollars. Foreign exchange risks arise from future transactions and cash flows and from recognised monetary assets and liabilities that are not denominated in the functional currency of the Titan Group's local operations. The Titan Group's exposure to foreign currency risk is not material.

Translational risk

At 31 December, the Titan Group had the following financial instruments denominated in Canadian dollars translated into U.S. dollars, on which exchange differences would potentially be recognised in the income statement in the following year.

At 31 December	*2010* *$m*	*2009* *$m*	*2008* *$m*	*2007* *$m*
Trade and other receivables	1.5	–	–	–
Cash and cash equivalents	1.0	–	–	–
Trade and other payables	(0.1)	–	–	–
	2.4	–	–	–

Translational risk

LLC has a Canadian subsidiary, which has a Canadian dollar functional currency. The Canadian company, which began its operations in 2010, had earnings of approximately $0.6 million for 2010. An immaterial foreign exchange gain arose in 2010 on the translation of the Canadian company's results into U.S. dollars.

Interest rate risk

Variable interest rates on cash at bank, deposits and overdrafts expose the Titan Group to cash flow interest rate risk and variable interest rates on loans expose the Titan Group to fair value interest rate risk. The Titan Group manages its exposure to interest rate risk and has used interest rate swaps when considered appropriate.

Credit risk

The Titan Group's credit risk arises from derivative financial instruments, cash and cash equivalents and outstanding receivables.

At each year end, the Titan Group had credit risk exposure to a wide range of counterparties. Credit risk exposure is continually monitored and no individual exposure is considered to be significant in the context of the ordinary course of the Titan Group's activities. Financing transactions are with leading financial institutions and no losses were incurred from non-performance of these counterparties.

The Titan Group had $25.9 million, $20.4 million, $23.3 million and $13.0 million deposited in highly rated financial institutions within the United States at 31 December 2010, 2009, 2008 and 2007, respectively. Each exceeded the FDIC insurance limit of $0.3 million. The Titan Group has not experienced any losses with respect to the related risks and does not believe its exposure to such risk is more than nominal.

Due to the nature of their business, the Titan Group's receivables are concentrated in customers operating in the oil and natural gas drilling industry. Trade and other receivables are continuously monitored. Credit account limits are primarily based on the credit quality of the customer and past experience through trading relationships. Based on the information available, the Titan Group believes that the allowance for doubtful accounts at 31 December 2010, 2009, 2008 and 2007 is adequate. However, actual write-offs may exceed the recorded allowance, depending on the changes in the facts and circumstances of the customer base as well as changes in the general economic conditions.

Liquidity risk

The Titan Group needs to ensure that it has sufficient liquid funds available to support its working capital and capital expenditure requirements and to fund acquisitions.

The tables below analyse the Titan Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date of the financial liabilities. The amounts are the contractual, undiscounted cash flows. The carrying amounts in the balance sheet are the discounted amounts.

	2010			
	On demand or within one year $m	*Between two and five years $m*	*After five years $m*	*Total $m*
Non-derivative financial liabilities:				
Trade payables	7.9	–	–	7.9
Accruals	9.3	–	–	9.3
Contractual payments on borrowings	3.4	192.7	–	196.1
Interest payments on borrowings	6.8	11.2	–	18.0
Distributions payable	2.4	–	–	2.4
Total financial liabilities	29.8	203.9	–	233.7

	2009			
	On demand or within one year $m	*Between two and five years $m*	*After five years $m*	*Total $m*
Non-derivative financial liabilities:				
Trade payables	2.3	–	–	2.3
Accruals	3.3	–	–	3.3
Contractual payments on borrowings	3.4	196.0	–	199.4
Interest payments on borrowings	7.2	18.5	–	25.7
	16.2	214.5	–	230.7
Derivative financial liabilities:				
Interest rate swap	1.0	–	–	1.0
Total financial liabilities	17.2	214.5	–	231.7

	2008			
	On demand or within one year	*Between two and five years*	*After five years*	*Total*
	$m	*$m*	*$m*	*$m*
Non-derivative financial liabilities:				
Trade payables	5.2	–	–	5.2
Accruals	5.5	–	–	5.5
Contractual payments on borrowings	4.7	122.0	67.2	193.9
Interest payments on borrowings	8.7	30.1	0.7	39.5
Distributions payable	6.0	–	–	6.0
	30.1	152.1	67.9	250.1
Derivative financial liabilities:				
Interest rate swap	1.7	2.6	–	4.3
Total financial liabilities	31.8	154.7	67.9	254.4

	2007			
	On demand or within one year	*Between two and five years*	*After five years*	*Total*
	$m	*$m*	*$m*	*$m*
Non-derivative financial liabilities:				
Trade payables	2.7	–	–	2.7
Accruals	4.0	–	–	4.0
Contractual payments on borrowings	1.4	5.4	194.4	201.2
Interest payments on borrowings	15.1	59.4	8.0	82.5
Distributions payable	0.2	–	–	0.2
	23.4	64.8	202.4	290.6
Derivative financial liabilities:				
Interest rate swap	1.6	1.8	–	3.4
Total financial liabilities	25.0	66.6	202.4	294.0

Sensitivity analysis

The following sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Titan Group's financial instruments and show the impact on profit or loss and members' equity. Financial instruments affected by market risk include borrowings, deposits and derivative financial instruments. The sensitivity analysis relates to the position as at 31 December 2010, 2009 and 2008.

The analysis excludes the impact of movements in market variables on the carrying value of post-retirement obligations, provisions and on the non-financial assets and liabilities of foreign operations. It has assumed that the carrying values of financial assets and liabilities carried at amortised cost do not change as interest rates change.

Interest rate sensitivity

The table below shows the impact for the year of a reasonable change in the interest rates, with all other variables held constant, at 31 December.

	2010 Income statement $m	2009 Income statement $m	2008 Income statement $m
Interest rates +0.5%: Increase in net finance expense	(1.0)	(1.0)	(0.9)
Interest rates –0.5%: Decrease in net finance expense	1.0	1.0	0.9

22. Financial instruments

The carrying amounts of each measurement category of the Titan Group's financial assets and financial liabilities are stated below, together with a comparison of fair value and carrying amount for each class of financial asset and financial liability.

	2010 Carrying amount				
	Loans and receivables $m	*Financial liabilities measured at amortised cost $m*	*Derivatives at fair value through equity (cash flow hedges) $m*	*Total $m*	*Fair value Total $m*
Current assets					
Net trade receivables	32.4	–	–	32.4	32.4
Other receivables	0.1	–	–	0.1	0.1
Cash and cash equivalents	25.9	–	–	25.9	25.9
Current liabilities					
Bank loans and borrowings	–	(3.4)	–	(3.4)	(3.4)
Trade payables	–	(7.9)	–	(7.9)	(7.9)
Accruals	–	(9.3)	–	(9.3)	(9.3)
Distributions payable	–	(2.4)	–	(2.4)	(2.4)
Non-current liabilities					
Bank loans and borrowings	–	(185.5)	–	(185.5)	(187.7)
	58.4	(208.5)	–	(150.1)	(152.3)

	2009 Carrying amount				
	Loans and receivables	*Financial liabilities measured at amortised cost*	*Derivatives at fair value through equity (cash flow hedges)*	*Total*	*Fair value Total*
	$m	*$m*	*$m*	*$m*	*$m*
Current assets					
Net trade receivables	14.2	–	–	14.2	14.2
Other receivables	0.3	–	–	0.3	0.3
Cash and cash equivalents	20.4	–	–	20.4	20.4
Current liabilities					
Bank loans and borrowings	–	(3.4)	–	(3.4)	(3.4)
Trade payables	–	(2.3)	–	(2.3)	(2.3)
Accruals	–	(3.3)	–	(3.3)	(3.3)
Derivative financial instruments	–	–	(1.0)	(1.0)	(1.0)
Non-current liabilities					
Bank loans and borrowings	–	(187.0)	–	(187.0)	(189.3)
	34.9	(196.0)	(1.0)	(162.1)	(164.4)

	2008 Carrying amount				
	Loans and receivables	*Financial liabilities measured at amortised cost*	*Derivatives at fair value through equity (cash flow hedges)*	*Total*	*Fair value Total*
	$m	*$m*	*$m*	*$m*	*$m*
Current assets					
Net trade receivables	16.5	–	–	16.5	16.5
Other receivables	0.1	–	–	0.1	0.1
Cash and cash equivalents	23.3	–	–	23.3	23.3
Current liabilities					
Bank loans and borrowings	–	(4.7)	–	(4.7)	(4.7)
Trade payables	–	(5.2)	–	(5.2)	(5.2)
Accruals	–	(5.5)	–	(5.5)	(5.5)
Distributions payable	–	(6.0)	–	(6.0)	(6.0)
Derivative financial instruments	–	–	(1.7)	(1.7)	(1.7)
Non-current liabilities					
Bank loans and borrowings	–	(178.2)	–	(178.2)	(181.0)
Derivative financial instruments	–	–	(2.6)	(2.6)	(2.6)
	39.9	(199.6)	(4.3)	(164.0)	(166.8)

	Loans and receivables $m	Financial liabilities measured at amortised cost $m	Derivatives at fair value through equity (cash flow hedges) $m	Total $m	Fair value Total $m
	2007 Carrying amount				
Current assets					
Net trade receivables	12.3	–	–	12.3	12.3
Other receivables	0.2	–	–	0.2	0.2
Cash and cash equivalents	13.0	–	–	13.0	13.0
Current liabilities					
Bank loans and borrowings	–	(1.4)	–	(1.4)	(1.4)
Trade payables	–	(2.7)	–	(2.7)	(2.7)
Accruals	–	(4.0)	–	(4.0)	(4.0)
Distributions payable	–	(0.2)	–	(0.2)	(0.2)
Derivative financial instruments	–	–	(1.6)	(1.6)	(1.6)
Non-current liabilities					
Bank loans and borrowings	–	(187.0)	–	(187.0)	(191.9)
Derivative financial instruments	–	–	(1.8)	(1.8)	(1.8)
	25.5	(195.3)	(3.4)	(173.2)	(178.1)

The tables below show the level in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured at fair value in the balance sheet.

	Fair value at 31 December 2009 $m	*Level 1 $m*	*Level 2 $m*	*Level 3 $m*
Derivative at fair value through equity				
Derivative financial instruments	1.0	–	1.0	–
	1.0	–	1.0	–

	Fair value at 31 December 2008 $m	*Level 1 $m*	*Level 2 $m*	*Level 3 $m*
Derivative at fair value through equity				
Derivative financial instruments	4.3	–	4.3	–
	4.3	–	4.3	–

	Fair value at 31 December 2008 $m	*Level 1 $m*	*Level 2 $m*	*Level 3 $m*
Derivative at fair value through equity				
Derivative financial instruments	3.4	–	3.4	–
	3.4	–	3.4	–

The fair value hierarchy has the following levels:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability.

Level 3 – inputs for the asset or liability that are not based on observable market data.

23. Business combination and asset purchases

Business combination

On 30 April 2010, the Titan Group purchased the assets of EBS, a manufacturer of selective fire perforating switches and accessories, for $12.1 million in cash. The Titan Group accounted for this purchase as a business combination under the requirements of IFRS 3 (revised). Details of the acquired net assets, goodwill and consideration are set out below:

	Pre-acquisition carrying values	*Fair values*
	$m	*$m*
Trade receivables	0.7	0.7
Inventory	0.1	0.1
Unpatented technology	2.3	2.3
Trade payables	(0.1)	(0.1)
Net assets acquired	3.0	3.0
Goodwill		9.1
Consideration		12.1

Consideration comprised $12.1 million cash.

Goodwill on the acquisition of EBS represents the value of the specific knowledge and technical skills that will enhance the Titan Group's facilities, and the prospective future economic benefits expected to accrue from enhancing the portfolio of products and services to the Titan Group's customers.

Intangible assets recognised on acquisition represent unpatented technologies.

The fair value of trade and other receivables is $0.7 million and includes trade receivables with a fair value of $0.7 million. The gross contractual amount for trade receivables is expected to be fully collected.

Acquisition related costs of $0.1 million have been included in administrative expenses in the income statement for the year ended 31 December 2010.

Post-acquisition performance

EBS contributed the following to the Titan Group's performance from the date of acquisition to 31 December 2010.

	$m
Revenue	11.1
Gross margin	8.0

Disclosure of the post-acquisition amounts below gross margin has not been disclosed as it is impracticable to determine these amounts since management do not separately present this information.

The contribution to the Titan Group's revenue and profit had EBS been acquired on 1 January 2010 has not been disclosed as it is impracticable to determine these amounts since management do not have access to this information.

Asset purchases

On 8 March 2010, the Titan Group purchased certain assets of PESCO Inc., a former distributor of the Titan Group's products, for $2.5 million in cash, as follows:

	$m
Inventory	1.0
Land	0.3
Buildings and improvements	1.0
Equipment	0.2
Consideration	2.5

On 31 December 2009, the Titan Group entered into an asset purchase agreement to acquire certain perforating switch system assets from Welltec A/S ("Welltec"), a Danish company. The switch system assets acquired included patent applications filed in various countries related to a switch system used in down hole applications, including processes, methods and applications used therein, as well as certain related technology, intellectual property and equipment.

The aggregate purchase price for the Welltec assets was $16.1 million, consisting of $5.6 million paid in cash, and five annual instalments of $2.1 million each due on 31 December, with final payment due on 31 December 2014. The annual instalments include interest imputed at a fixed rate of 2.64 per cent., which was not materially different than the Titan Group's incremental borrowing rate on the date of the transaction. As a result of this transaction, the Titan Group recorded intangible asset additions totalling $15.5 million and equipment additions of $0.6 million. As part of the purchase agreement, the Titan Group received the option to sell the switch system assets back to Welltec for an amount equal to 73 per cent. of the total payments that have been made by the Titan Group to Welltec under the agreement, less any license fees received by the Titan Group from third parties related to the switch system assets. The option expires in April 2013. Management estimated the fair value of the option to be immaterial at inception and $nil at 31 December 2010, 2009 and 2008. Management has no intention of exercising the option before its expiration.

On 11 December 2009, the Titan Group purchased certain unpatented technology and inventory from A-O-T-E, Inc. The technology acquired included the proprietary process of designing and manufacturing specified setting tools, with the inventory consisting of various parts, components, accessories and special tooling used therein. The aggregate purchase price of these assets was $1.1 million, consisting of $0.6 million paid in cash and a $0.5 million promissory note payable to the seller. The promissory note bears interest at a fixed rate of 6.00 per cent. and is due in instalments of $0.25 million each, on 11 December 2010, and 11 June 2011. As a result of the transaction, the Titan Group capitalised unpatented technology totalling approximately $1.0 million, and recorded inventory totalling approximately $0.1 million.

On 14 August 2008, the Titan Group purchased from Frederick Mining Controls, L.L.C. the rights to two patents and other unpatented technology related to scintillation detectors and highly integrated detectors for a total cash purchase price of $4.5 million.

24. Commitments and contingencies

At 31 December the Titan Group had commitments to pay rentals under non-cancellable operating leases as follows:

	2010	*2009*	*2008*
	$m	*$m*	*$m*
In less than one year	0.6	0.4	0.3
In the second to fifth years inclusive	0.9	0.7	0.6
In more than five years	–	–	–
	1.5	1.1	0.9

Total rental expense for each of the years ended 31 December 2010, 2009 and 2008 was $0.7 million, $0.4 million and $0.2 million, respectively.

The Titan Group is required to pay Credit Suisse $0.1 million annually for the administration of facility 1 and facility 2, due on each anniversary date of the credit agreements until maturity in 2013 and 2014, respectively.

In the course of its business affairs and operations, the Titan Group is subject to possible loss contingencies arising from governmental regulations and third party litigation. There are no matters which, in the opinion of management, will have a material adverse effect on the financial position, results of operations or cash flows of the Titan Group.

25. Employee benefit plans

The Titan Group has a non-contributory, defined contribution profit sharing plan (the "PS Plan") in which all eligible employees participate. Each employee is eligible on the first day of the following quarter after completing 90 days of employment, provided the employee is at least 21 years of age. Employer contributions are discretionary and vest rateably over 6 years. Contributions are allocated pro-rata to participants based on compensation, subject to regulatory limits for highly compensated employees. The Titan Group contributed $0.9 million, $nil and $1.3 million for the years ended 31 December 2010, 2009 and 2008, respectively. Effective 1 January 2011, the Titan Group merged the PS Plan into the 401(k) Plan.

The Titan Group also offers a 401(k) savings plans (the "401(k) Plan") for the benefit of substantially all employees. Eligibility conditions are consistent with those for the PS Plan. Upon meeting the eligibility requirement, employees may elect to contribute a percentage of their pre-tax compensation to the 401(k) Plan annually, not to exceed the amount deducted for federal income tax purposes. The 401(k) Plan also permits the Titan Group to make additional discretionary contributions. The Titan Group contributed $0.1 million, $nil and $nil for the years ended 31 December 2010, 2009 and 2008, respectively.

26. Principal subsidiaries

Subsidiaries	*Ownership interest*	*Country of incorporation and operations*	*Business*
Oil and gas activities			
Titan Specialties, Ltd.	100%	USA	Oilfield products
Titan Specialties, ULC*	100%	Canada	Oilfield products
Titan Specialties Cooperatief U.A.*	100%	The Netherlands	Oilfield products
Titan Technology Company*	100%	Russia	Oilfield products
*Incorporated in 2010.			
Corporate activities			
Titan GP, LLC	100%	USA	Management services
Titan Specialties Holdings, LLC	100%	USA	Holding company
TSL Real Estate Holdings, LLC	100%	USA	Company properties
TSI Acquisition LLC	100%	USA	Holding company

27. Related party transactions

On 13 March 2007, the Titan Group issued a $12.5 million subordinated PIK Note with a member. The details of the note are set forth in note 16.

On 13 March 2007 Riverstone, the controlling party, acquired 82.3 per cent. of LLC and per the terms of the Agreement LLC is required to pay an annual monitoring fee of $0.3 million to Riverstone.

Total compensation to key management being the senior management of LLC totalled $3.7 million, $2.4 million and $2.2 million for the years ended 31 December 2010, 2009 and 2008, respectively.

28. Capital risk management

The Titan Group's capital consists of the Titan Group's total equity and as at 31 December 2010, 2009, 2008 and 2007, total equity was $145.1 million, $107.3 million, $106.4 million and $93.0 million, respectively.

Capital is managed with the aim of maintaining an appropriate level of financing available for the Titan Group's activities, having due regard to interest rate and currency risks and the availability of borrowing facilities. The Titan Group regularly monitors gearing ratios against both internal targets and external covenant requirements.

The Titan Group needs to ensure that banking and other borrowing covenants are complied with to ensure that borrowing facilities remain in place. The covenants are monitored regularly and all external covenants requirements were met during the years.

Changes in equity arise from the retention of earnings, capital contributions and distributions. The Titan Group's capital and net debt are managed by the control of working capital, distribution and capital expenditure payments and the purchase and disposal of assets.

29. Subsequent events

Effective 1 January 2011, the Titan Group merged the PS Plan into the 401(k) Plan.

On 5 August 2011 the members entered into an agreement to sell their interest to Hunting. The acquisition is subject to, *inter alia*, regulatory approvals and the approval of Hunting shareholders at a general meeting scheduled to take place on 15 September 2011.

PART IV

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

SECTION A:

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effect of the Proposed Acquisition on the net assets of Hunting as if the Proposed Acquisition had taken place on 30 June 2011. The unaudited pro forma statement of net assets, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the actual financial position of the Enlarged Group. The unaudited pro forma financial statement of net assets has been compiled on the basis set out in the notes below and in accordance with the requirements of Listing Rule 13.3.3R.

All figures are in £ millions	*Hunting PLC At 30 June 2011 Note 1*	*The Titan Group At 31 Dec 2010 Note 2*	*Adjustments*			*Total*
			New Debt Facilities Note 3	*New Equity Raised Note 3*	*Acquisition Note 4*	
ASSETS						
Non-current assets						
Property, plant and equipment	160.4	23.0	–	–	–	183.4
Goodwill	98.8	57.6	–	–	286.4	442.8
Other intangible assets	19.4	58.8	–	–	–	78.2
Investments in associates	12.9	–	–	–	–	12.9
Available for sale financial investments	0.2	–	–	–	–	0.2
Retirement benefit assets	6.2	–	–	–	–	6.2
Trade and other receivables	1.5	–	–	–	–	1.5
Deferred tax assets	6.7	–	–	–	–	6.7
	306.1	139.4	–	–	286.4	731.9
Current assets						
Inventories	139.0	41.1	–	–	–	180.1
Trade and other receivables	100.9	20.6	–	–	–	121.5
Investments	2.5	–	–	–	–	2.5
Cash and cash equivalents	364.0	15.9	110.9	83.5	(503.4)	70.9
Assets classified as held for sale	11.2	–	–	–	–	11.2
	617.6	77.6	110.9	83.5	(503.4)	386.2
LIABILITIES						
Current liabilities						
Trade and other payables	115.2	12.0	–	–	–	127.2
Current tax liabilities	21.9	–	–	–	–	21.9
Borrowings	68.7	2.1	–	–	(2.1)	68.7
Provisions	40.3	–	–	–	–	40.3
Liabilities classified as held for sale	5.6	–	–	–	–	5.6
	251.7	14.1	–	–	(2.1)	263.7
Net current assets	365.9	63.5	110.9	83.5	(501.3)	122.5
Non-current liabilities						
Borrowings	2.2	113.8	110.9	–	(113.8)	113.1
Deferred tax liabilities	25.0	–	–	–	–	25.0
Provisions	15.2	–	–	–	–	15.2
	42.4	113.8	110.9	–	(113.8)	153.3
Net assets	629.6	89.1	–	83.5	(101.1)	701.1

Notes:

1. The financial information of the Group has been extracted, without material adjustment, from the unaudited Half-Year Results of Hunting PLC for the six months ended 30 June 2011.

2. The financial information of the Titan Group has been translated from US Dollars to sterling using an exchange rate of 1.63, being the closing mid-rate of exchange on 4 August 2011, as per the Financial Times. The US Dollar financial information for the Titan Group has been extracted, without material adjustment, from Part III of this document.

	The Titan Group At 31 Dec 2010 $m	*The Titan Group At 31 Dec 2010 £m*
ASSETS		
Non-current assets		
Property, plant and equipment	37.5	23.0
Goodwill	93.9	57.6
Other intangible assets	95.8	58.8
	227.2	139.4
Current assets		
Inventories	67.0	41.1
Trade and other receivables	33.5	20.6
Cash and cash equivalents	25.9	15.9
	126.4	77.6
LIABILITIES		
Current liabilities		
Trade and other payables	19.6	12.0
Borrowings	3.4	2.1
	23.0	14.1
Net current assets	103.4	63.5
Non-current liabilities		
Borrowings	185.5	113.8
	185.5	113.8
Net assets	145.1	89.1

3. The Consideration for the Acquisition is to be satisfied through a combination of existing cash balances and the New Bank Facility.

   Hunting has negotiated the New Bank Facility, of which approximately £116.0 million is expected to be drawn on a pro forma basis on acquisition, including £5.1 million to service facility fees. This facility is expected to service the Enlarged Group's working capital requirements and to finance further smaller acquisitions and replaces the Existing Bank Facility which was due to expire in October 2013.

   As announced on 5 August 2011, a Placing of 13,175,838 new Ordinary Shares has also been completed, raising £85.4 million, which, after costs of £1.9 million, provides a net cash inflow of £83.5 million.

4. The unaudited pro forma statement of net assets has been prepared on the basis that the Acquisition will be accounted for using the acquisition method of accounting. The excess of consideration over the book value of the net assets acquired has been reflected as goodwill. A fair value exercise will be completed post-acquisition; therefore no account has been taken of any additional intangible assets or fair value adjustments which may arise on the acquisition. The acquisition accounting is therefore based upon the following:

   (i) Consideration

   The purchase consideration of $775 million (£475.5 million) is to be paid entirely in cash. No cash or debt within the Titan Group will be acquired as part of the transaction, therefore the net debt at 31 December 2010 has been added back to the net assets of the Titan Group for the purposes of calculating goodwill below. The consideration will be adjusted following Completion, as described in Part V of the document.

   (ii) Goodwill

   The incremental goodwill arising upon acquisition has been calculated as follows:

	$m	*£m*
Total consideration	775.0	475.5
The Titan Group's net assets	145.1	89.1
The Titan Group's net debt	163.0	100.0
Net assets acquired	308.1	189.1
Goodwill	466.9	286.4

Note: The US$ net assets and net debt are as at 31 December 2010 and have been extracted without material adjustment from Part III of this document. The US$ amounts have been converted at the closing mid-rate of exchange on 4 August 2011 of $1.63/£. Net debt has been calculated as the sum of non-current borrowings and current borrowings less cash and cash equivalents.

(iii) Cash and cash equivalents outflow on acquisition

The outflow of £503.4 million on acquisition comprises the sum of the consideration of £475.5 million, transaction advisory costs of £12.0 million and the Titan Group's cash and cash equivalents of £15.9 million, as no cash is to be acquired as part of the transaction.

(iv) Borrowings inflow on acquisition

No debt within the Titan Group is to be acquired as part of the transaction, so a borrowings inflow of £115.9 million has been shown to reverse the Titan Group's debt as at 31 December 2010, of which £113.8 million was long term.

5. No account has been taken in the Pro Forma Net Assets Statement for any trading activity or transactions either by Hunting for the period since 30 June 2011, or for the Titan Group for the period since 31 December 2010, except as noted above.

6. On 12 August 2011, Hunting announced the acquisition of Dearborn Precision Tubular Products, Inc., a company that provides specialist precision machining services, for a total cash consideration of $83.5 million. This acquisition has not been reflected in the Pro Forma Net Assets Statement.

SECTION B:

Report by PricewaterhouseCoopers LLP on the unaudited pro forma statement of net assets of the Enlarged Group

pwc

The Directors
Hunting PLC
3 Cockspur Street
London
SW1Y 5BQ

DC Advisory Partners Limited (the "**Sponsor**")
60 Threadneedle Street
London
EC2R 8HP

25 August 2011

Dear Sirs

Acquisition by Hunting PLC (the "Company") of TSI Acquisition Holdings LLC and its subsidiaries (the "Titan Group") (the "Acquisition")

We report on the unaudited pro forma statement of net assets (the "**Pro forma statement of net assets**") set out in Section A of Part IV of the Company's circular dated 25 August 2011 (the "**Circular**") which has been prepared on the basis described in the notes to the Pro forma statement of net assets, for illustrative purposes only, to provide information about how the Acquisition might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its unaudited interim financial results for the six months ended 30 June 2011. This report is required by item 13.3.3R of the Listing Rules of the United Kingdom Listing Authority (the "**Listing Rules**") and is given for the purpose of complying with that Listing Rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma statement of net assets in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules as to the proper compilation of the Pro forma statement of net assets and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma statement of net assets nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma statement of net assets with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the Pro forma statement of net assets has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PART V

SUMMARY OF THE PRINCIPAL TERMS OF THE ACQUISITION AGREEMENT

1. Introduction

On 5 August 2011, Hunting Energy Services, Inc. (the "Acquiror"), a wholly owned subsidiary of the Company, entered into a conditional agreement and plan of merger (the "Acquisition Agreement") pursuant to which a wholly-owned subsidiary of the Acquiror (the "Merger Sub") will be merged with and into TSI Acquisition Holdings LLC (the "LLC") whereby each outstanding unit of the LLC's membership interests and each unit appreciation right awarded by the LLC will be converted into the right to receive the applicable proportion of the merger consideration. The Company has fully guaranteed the obligations set out in Sections 6.2 (Publication of Circular) and 12.1 (Remedies) under the Acquisition Agreement. The principal terms of the Acquisition Agreement are set out below.

2. Acquisition Structure

Pursuant to the Acquisition Agreement, the Merger Sub will be merged with and into the LLC, with the LLC being the surviving entity. After completion of the Acquisition, the LLC will be a wholly-owned subsidiary of the Acquiror. The LLC also has a number of operating subsidiaries that will be acquired as part of the transaction, including Titan Specialties, Ltd.

3. Conditions and Termination Rights

The closing of the transactions contemplated by the Acquisition Agreement ("Closing") is conditional upon the satisfaction of certain conditions, including the approval of Shareholders at the General Meeting. Closing is also conditional on, among other things, no material adverse change (broadly defined as an event occurring between the date on which the Acquisition Agreement was signed and Closing which has or will have a material adverse effect on the LLC and its subsidiaries, taken as a whole) having taken place and all filings having been made under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the regulations and the waiting period thereunder having expired, lapsed or been terminated as appropriate.

If the Shareholders do not approve the Resolution by 19 September 2011, and the LLC is not in default of its obligations under the Acquisition Agreement, then the LLC will have the right to terminate the Acquisition Agreement. If such termination right is exercised, the Company must pay the LLC a break-fee equal to approximately £9.5 million (the "Break Fee") (provided that the Break Fee shall in no event exceed such amount as would have caused the Break Fee to require Shareholder approval, in accordance with Listing Rule 10.2.7 of the Listing Rules).

In addition, the Acquisition Agreement provides that the LLC or the Acquiror may terminate the Acquisition Agreement on or after 31 October 2011; provided, that the terminating party may not have been the primary cause of the failure to close; and provided further that this date will be extended until 31 December 2011 if approval under the HSR Act has not been obtained due to a request for additional information from certain governmental entities.

The Acquisition Agreement also provided that the LLC had a termination right in relation to an escrow amount for environmental matters. This right has since been extinguished, as described in paragraph 4 below.

4. Consideration and Escrow Agreements

The Acquiror will pay the aggregate merger consideration equal to US$775 million (£475.5 million) in cash less (i) estimated funded indebtedness of the LLC and its subsidiaries at Closing, plus (ii) estimated cash and cash equivalents of the LLC and its subsidiaries at Closing less (iii) the amount of expenses paid by, or at the direction of, the LLC to the representative (the "Holder Representative") of the equity holders of the LLC (the "Unitholders") less (iv) an amount equal to US$41.0 million (£25.2 million) (the "Escrow Amount") less (v) 65 per cent. of the aggregate amounts payable to certain employees in connection with retention bonus letters and (vi) either (x) less the amount the Closing Net Working Capital is less than US$102 million (£62.6 million) or (y) plus the amount the Closing Net Working Capital exceeds US$102 million (£62.6 million) (capped at US$13 million (£8.0 million)). Subject to the Adjustments, the entire cash purchase price will be payable in immediately available funds at Closing.

The Escrow Amount will be paid to Wells Fargo Bank, N.A., as escrow agent, to be held and disbursed pursuant to the terms of escrow agreements to be entered into by the parties (the "Escrow Agreements").

US$5 million (£3.1 million) of the Escrow Amount will be used for any post-Closing downward price adjustments linked to the LLC's net working capital at Closing (the "Adjustment Escrow Amount"). US$35 million (£21.5 million) of the Escrow Amount will be used for post-Closing general indemnification claims (the "Indemnification Escrow Amount"). The remaining Escrow Amount of US$1.0 million (£0.6 million) will be used for certain potential environmental matters. The Acquisition Agreement provided that the escrow amount for environmental matters could increase to US$5 million (£3.1 million) depending on the results of an analysis undertaken by environmental consultants. Since the date of the Acquisition Agreement, this analysis has been satisfactorily completed and the escrow amount in relation to the environmental matters will remain at US$1 million (£0.6 million). Accordingly, the right of the LLC to terminate the Acquisition Agreement in the event that the environmental escrow annual exceeded US$5 million (£3.1 million) has been extinguished.

The Adjustment Escrow Amount, if any remains, will be distributed after the determination of the Closing Date Net Working Capital, the Closing Date Funded Debt and the Closing Date Cash (approximately 90 days following Closing). On the six month anniversary of Closing, 50 per cent. of the Indemnification Escrow Amount, less the amount of any pending claims by the Acquiror, will be distributed to the Unitholders, along with the earnings on the amount distributed. A further distribution of the Indemnification Escrow Amount will be made to the Unitholders on the one year anniversary of Closing, and a final distribution will be made upon the resolution of any claims pending as of such date.

The Environmental Escrow Amount, if any remains, will be distributed to the Unitholders, along with the earnings on the amount distributed, on the three year anniversary of Closing, less the amount of any pending claims by the Acquiror.

5. Representations and Warranties

The LLC has made extensive representations and warranties with respect to the LLC and its subsidiaries. These include representations and warranties relating to the LLC's and its subsidiaries' organisation, good standing, authority, capitalisation, due authorisation, contracts, no defaults, compliance with laws, permits, no conflicts, consents, litigation, absence of certain changes or events, taxes, employee benefit plans, employment matters, environmental matters, intellectual property, insurance and no brokers (other than Goldman, Sachs & Co.). The representations and warranties are subject to a number of exceptions as set out in the Disclosure Schedules attached to the Acquisition Agreement.

The Company and Merger Sub are also making customary representations and warranties, including those relating to corporate organisation, good standing, authority, due authorisation, no conflict, litigation, consents and financial ability. It should be noted that the LLC will become a subsidiary of Hunting and therefore in terms of recourse, the benefit of these representations and warranties to the Enlarged Group will be limited to the escrow amounts.

6. Warranty Claims

Each Unitholder has agreed, severally, but not jointly, to the extent of its escrow percentage of the Indemnification Escrow Amount to indemnify the Acquiror and related parties for losses they suffer after Closing as a result of (i) the breach by the LLC of the representations and warranties made by the LLC in Article 3 of the Acquisition Agreement, or in any certificate, instrument or agreement delivered in connection with Section 9.2 of the Acquisition Agreement; and (ii) the breach by the LLC of any covenant or agreement made by the LLC in the Acquisition Agreement or in any certificate, instrument or agreement delivered in connection with Section 9.2 of the Acquisition Agreement.

The indemnification obligations of the Unitholders are subject to a number of limitations, including (i) generally the representations and warranties survive for only twelve months after Closing; (ii) a *de minimis* exception of US$250,000 (£0.2 million); (iii) no claims may be made until the aggregate losses suffered exceed US$3 million (£1.8 million), and then the Unitholders are required to indemnify only to the extent losses (again not counting the de minimis exception) exceed US$3 million (£1.8 million) (the "Deductible"); and (iv) the Unitholders' aggregate liability for breach of representations and warranties is limited to the Indemnification Escrow Amount (i.e., US$35 million (£21.5 million)) (the "Cap").

Each Unitholder has also agreed, severally, but not jointly, to the extent of its escrow percentage of the Environmental Escrow Amount to indemnify the Acquiror and related parties for claims and liabilities they suffer after Closing for certain potential environmental matters.

The Acquisition Agreement provides for limited exceptions to the foregoing limitations. Specifically, the Deductible shall not apply to claims for losses associated with a breach of any fundamental representation (organisation, subsidiaries, due authorisation, and capitalisation) or fraud, and the Cap shall not apply to any claim for fraud.

7. Covenants and Employment Agreements

Under the Acquisition Agreement, the LLC has agreed, as to itself and its subsidiaries, that during the period from the date of the Acquisition Agreement to Closing, except as contemplated by the Acquisition Agreement or as consented to by the Acquiror (which consent shall not be unreasonably conditioned, withheld, delayed or denied), to operate its business in the ordinary course and substantially in accordance with past practice and use its commercially reasonable efforts to maintain its assets and relationships with third parties and keep available the services of its present officers and employees. The LLC must also not engage in any material practice or take any material action if such practice or action artificially accelerates the ordinary course conversion of working capital to cash or take material actions to otherwise artificially increase cash outside of the ordinary course of business to the detriment of the Acquiror.

Riverstone Investment Group, LLC is subject to a non-solicitation of employees and Titan has delivered employment agreements (as approved by the Acquiror) for Ken Babcock and Roger Rivet at the signing of the Acquisition Agreement which will be effective as of Closing.

8. Governing Law and Dispute Resolution

The Acquisition Agreement is governed by the laws of the State of Delaware. The State of Delaware is given exclusive jurisdiction for the resolutions of disputes.

PART VI

ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors, whose names appear in paragraph 2.2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company and the Directors

2.1 ***The Company***

The Company was incorporated and registered in England and Wales as a private limited company on 13 March 1970 under the Companies Acts 1948 to 1967 with number 974568 and the name Hunting Gibson Limited. On 4 September 1981, the Company was re-registered as a public company as Hunting Gibson plc. Pursuant to special resolutions the name of the Company was changed to Hunting Group plc on 12 August 1985, to Hunting Gibson plc on 22 December 1988 and to Hunting PLC on 7 August 1989. The principal legislation under which the Company operates is the Companies Act 2006 and the regulations made thereunder.

The Company is domiciled in the United Kingdom with its registered office and principal place of business at 3 Cockspur Street, London, SW1Y 5BQ. The telephone number of the Company's registered office is +44 (0)20 7321 0123. The website of the Company is www.huntingplc.com.

2.2 ***The Directors***

Richard Hunting CBE	(*Non-Executive Chairman*)
Dennis Proctor	(*Chief Executive*)
Peter Rose	(*Finance Director*)
John Hofmeister	(*Non-Executive Director*)
George Helland	(*Non-Executive Director*)
John Nicholas	(*Non-Executive Director*)

3. Directors' interests

3.1 As at 22 August 2011 (being the latest practicable date prior to the publication of this document) the interests of each Director, their immediate families and related trusts and, insofar as is known to them or could with reasonable diligence be ascertained by them, persons connected (within the meaning of section 252 of the Companies Act 2006) with the Directors (all of which, unless otherwise stated, are beneficial) in the Ordinary Shares, including interests arising pursuant to any transaction notified to the Company in accordance with rule 3.1.2 of the Disclosure and Transparency Rules, are as follows:

Director	*Number of Ordinary Shares*	*Percentage of Ordinary Issued Shares*
Richard Hunting	743,306	0.508%
(as trustee)	1,132,744	0.774%
Dennis Proctor	1,075,144	0.735%
Peter Rose	38,196	0.026%
George Helland	18,750	0.013%
John Hofmeister	5,000	0.003%
John Nicholas	5,000	0.003%

3.2 The following options over Ordinary Shares have been granted to the Directors and are outstanding as at 22 August 2011 (being the latest practicable date prior to the publication of this document):

Name of Director	*Number of Ordinary Shares under option*	*Exercise Price (pence)*	*Exercise Period*
Dennis Proctor	181,622	167.4	15.04.2005 – 14.04.2012
	309,705	116.9	31.03.2007 – 30.03.2014
	171,742	220.7	09.03.2008 – 08.03.2015
	104,178	383.0	08.03.2009 – 07.03.2016
	64,688	640.0	06.03.2010 – 05.03.2017
	55,449	784.5	04.03.2011 – 03.03.2018
Peter Rose	29,454	220.7	09.03.2008 – 08.03.2015
	18,277	383.0	08.03.2009 – 07.03.2016
	15,000	640.0	06.03.2010 – 05.03.2017
	21,670	784.5	04.03.2011 – 03.03.2018

Dennis Proctor and Peter Rose have been granted the following awards to acquire Ordinary Shares under the Performance Share Plan:

Name of Director	*Award Date*	*Awards Granted*	*Mid-market price at award date (p)*	*Vesting Date*
Dennis Proctor	29.04.2009	38,863	444.25	28.04.2012
	26.02.2010	70,751	587.50	25.02.2013
	25.02.2011	57,295	795.00	24.02.2014
Peter Rose	29.04.2009	15,000	444.25	28.04.2012
	26.02.2010	29,129	587.50	25.02.2013
	25.02.2011	23,241	795.00	24.02.2014

The vesting of awards is subject to performance conditions.

Dennis Proctor and Peter Rose participate in the Company's Long Term Incentive Plan (the "**LTIP**") and have the following interests as at 22 August 2011 (being the latest practicable date prior to the publication of this document):

Name of Director	*Interest in three year performance cycle awarded February 2009 and vested 31 December 2011 (at 22 August 2011)*	*Interest in three year performance cycle awarded February 2010 and vested 31 December 2012 (at 22 August 2011)*	*Interest in three year performance cycle awarded February 2011 and vested 31 December 2013 (at 22 August 2011)*	*Value of award in respect of three year performance cycle vested 31 December 2010*
Dennis Proctor	35%	35%	35%	£72,598
Peter Rose	15%	15%	15%	£31,113

3.3 Awards are settled at the end of each performance cycle in cash or shares. The determination of whether to deliver benefits under the LTIP in cash or shares is not made until awards vest.

3.4 Save as disclosed in paragraphs 3.1 and 3.2 above, the Directors do not have any interests in the share capital of the Company.

4. Details of the service contracts of the Directors

Dennis Proctor has a service agreement with Hunting Energy Services Inc., a wholly-owned subsidiary of the Company. He is entitled to an annual salary of US$710,000. Peter Rose has a service agreement with the Company. He is entitled to an annual salary of £225,000. On 1 August 2011, Richard Hunting became non-executive Chairman, whereby his service agreement was replaced with a letter of appointment. Under the terms of his appointment, Richard Hunting has been appointed for a three year term, which can be terminated by either party on three months' notice. He is entitled to an annual fee of £193,500. The other non-executive directors have each entered into letters of appointment with the Company.

Further details of the service agreements of the executive directors and the terms of appointment of the non-executive directors (other than Richard Hunting) are included in the Remuneration Committee's Report section of the Company's 2010 annual report and accounts.

5. Major interests in Hunting Shares

5.1 Set out in the table below are the names of those persons, other than a Director, who, so far as the Company is aware, are interested, directly or indirectly, in three per cent. or more of the Company's total voting rights and capital in issue as at 22 August 2011 (being the latest practicable date prior to the publication of this document). The Company has received no notifications of any changes to this information since this date.

Major Shareholder	*Notes*	*Number of Ordinary Shares*	*Percentage of Issued Ordinary Shares*
M&G Investment Management		13,904,588	9.51%
AXA group of companies		13,854,611	9.47%
Hunting Investments Limited	(i)	10,884,743	7.44%
Schroder Investment Management		7,587,047	5.19%
Threadneedle Asset Management		7,510,308	5.13%
Mirabaud Investment Management		7,332,236	5.01%
Slaley Investments Limited		6,411,679	4.38%
BlackRock Group		5,922,364	4.05%
F Godson – as trustee	(ii)	5,888,980	4.03%
Legal & General Investment Management		5,033,206	3.44%
Co-operative Insurance Society		4,989,145	3.41%
Standard Life Investments		4,883,799	3.34%

Notes:

(i) Included in the holding are 9,437,743 Ordinary Shares held by Huntridge Limited, a wholly-owned subsidiary of Hunting Investments Limited. Neither of these companies are owned by Hunting PLC, either directly or indirectly.

(ii) After elimination of duplicate holdings, the total Hunting Family Trustee interests shown above amount to 6,192,674 Ordinary Shares.

5.2 The Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

6. Material contracts

6.1 Save for the Acquisition Agreement, the principal terms of which are summarised in Part V of this document, and as disclosed below, no contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Hunting Group either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Hunting Group; or (ii) which contain any provisions under which any member of the Hunting Group has any obligation or entitlement which is, or may be, material to the Hunting Group as at the date of this document:

(a) An agreement dated 12 August 2011 between each of Tube Hollows International (the "Seller"), Thomas D. Shaffner, William A. Findeisen, Kenneth H. Dearborn (together the "Restricted Parties") (on the one hand) and Hunting Energy Services, Inc. ("HES") (on the other hand) relating to the acquisition by HES of all of the issued and outstanding capital stock of Dearborn Precision Tubular Products, Inc. ("Dearborn"). The Seller is owned by the Restricted Parties and related trusts. Dearborn was acquired in consideration of a cash payment of US$83.5 million paid on completion. The consideration will be reduced or increased by any debt or cash remaining in the business on the date of completion. Under the terms of the agreement, the Seller gave certain warranties to HES relating to Dearborn (subject to certain customary limitations). The Seller and the Restricted Parties have agreed, jointly and severally, to indemnify HES, Dearborn and related parties for losses they suffer after completion as a result of, *inter alia*, the breach by the Seller of the warranties given by it. Each Restricted Party has entered into a non-compete and non-solicitation of employees and customers agreement with HES for a five year period following completion, or in the case of William A. Findeisen, who is remaining with Dearborn post-completion, for five years following termination of his employment.

(b) On 5 August 2011, the Company and Hunting Knightsbridge Holdings Limited entered into the New Bank Facility pursuant to which Barclays Bank PLC, Lloyds TSB Bank PLC and The Royal Bank of Scotland plc have arranged and underwritten a multi-currency revolving credit facility of £375 million.

(i) *Structure and Purpose*

The Company and Hunting Knightsbridge Holdings Limited are joint and several borrowers under the New Bank Facility (the "Borrowers" and each a "Borrower"). The New Bank Facility is unsecured but will be supported by upstream guarantees from many of the material subsidiaries within the Enlarged Group.

The New Bank Facility is available for drawing by each Borrower following satisfaction of conditions precedent until the date falling one month prior to the maturity of the New Bank Facility in August 2016. The conditions precedent are market standard conditions for a facility of this nature.

Each loan which has been drawn must be repaid or rolled over on the last day of the interest period in relation to that loan. Each interest period can be one, two, three or six months as selected by the Borrower or such other period as agreed with the lenders.

The New Bank Facility may be used for general corporate purposes, including acquisitions and, therefore, is available to be used for the Proposed Acquisition.

The New Bank Facility will replace the Existing Bank Facility which is currently undrawn and will be cancelled on the date of Completion.

(ii) *Interest*

Interest is payable on each loan made under the New Bank Facility at a rate which is the aggregate of: (i) the applicable margin; (ii) LIBOR (or, in relation to any loan in euro, EURIBOR); and (iii) mandatory costs (if any).

The applicable margin is initially 165 bps above LIBOR but is then subject to adjustment based on the Borrowers' net leverage ratio.

(iii) *Prepayment*

Subject to certain carve-outs, the New Bank Facility includes mandatory prepayment provisions which require the Borrowers to prepay and cancel the New Bank Facility or certain commitments under the New Bank Facility (as appropriate) on the occurrence of certain events. These provisions are market standard for a facility of this nature.

(iv) *Other Obligations*

The covenants included in the New Bank Facility are customary for a facility of this type and include, without limitation: (i) negative pledge; (ii) compliance with laws; (iii) obtaining and compliance with authorisations; (iv) environmental matters; (v) material change of business; (vi) restrictions on disposals; (vii) requirement for majority lender approval for class 1 acquisitions; and (viii) requirements regarding the delivery of financial information.

The majority lenders have given their consent under the terms of the New Bank Facility to the Proposed Acquisition subject to satisfaction of certain conditions that are within the Company's control.

(c) The Company, DC Advisory Partners, Barclays Capital, and RBS Hoare Govett (Barclays Capital and RBS Hoare Govett being referred to as the "Joint Bookrunners") entered into an underwriting agreement dated 5 August 2011 (the "Underwriting Agreement") pursuant to which *inter alia*:

(i) the Company confirmed the appointment of DC Advisory Partners in connection with the applications for admission to the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange plc's main market for listed securities (together, "Admission") and the appointment of the Joint Bookrunners in connection with the Placing of 13,175,838 new ordinary shares of 25 pence (the "Placing Shares") to institutional investors (the "Placees");

(ii) the Joint Bookrunners acting severally (and not jointly or jointly and severally), subject to certain conditions, agreed that they would use reasonable endeavours to procure Placees for the Placing Shares or otherwise take up as principal any Placing Shares for which they were unable to procure Placees;

(iii) the Company agreed to allot and issue all of the Placing Shares in consideration of the transfer to the Company by RBS Hoare Govett of certain ordinary shares of no par value in the capital of Newco (as defined in paragraph 6.1(d) below) and certain preference shares of no par value in the capital of Newco pursuant to the Put and Call Option Agreement and the Subscription and Transfer Agreement described in paragraph 6.1(d) below;

(iv) the Company agreed to pay to the Joint Bookrunners for their services in connection with the Placing: (i) a commission of 1.5 per cent. of the aggregate value of the Placing Shares at the placing price to be divided between the Joint Bookrunners in the Agreed Proportions i.e. 50 per cent. each; and (ii) a discretionary fee of 0.5 per cent. of the aggregate value of the Placing Shares at the placing price to be allocated between the Joint Bookrunners in the Company's absolute discretion and reimburse certain fees and expenses incurred by the Joint Bookrunners and DC Advisory Partners in connection with the Placing;

(v) the Joint Bookrunners and DC Advisory Partners were each entitled to terminate the Underwriting Agreement in the following circumstances: (i) if there had been a breach of the warranties given to the Joint Bookrunners and DC Advisory Partners which is material in the context of the Company, the Acquisition, the Placing, and Admission; or (ii) if any of the conditions had not been satisfied or waived by the Joint Bookrunners; or (iii) if the Company's application to the FSA for Admission of the Placing Shares had been withdrawn and/or refused by the FSA; or (iv) there had occurred any Material Adverse Effect (as defined therein); or (v) if there had occurred any material adverse change in any major financial market in the United States, the United Kingdom or any member of the European Union; or (vi) if trading in the ordinary shares of the Company had been suspended or limited by the London Stock Exchange plc; or (vii) if a banking moratorium had been declared; or (viii) there had occurred an adverse change or a prospective adverse change in United Kingdom taxation; and

(vi) the Company gave certain representations, warranties and indemnities to DC Advisory Partners and the Joint Bookrunners, in each case that are typical for an agreement of this nature.

(d) In connection with the Placing, the Company, Houston Funding (Jersey) Limited ("Newco") and RBS Hoare Govett entered into a Put and Call Option Agreement and a Subscription and

Transfer Agreement each dated 5 August 2011, in respect of the subscription and transfer of ordinary shares and redeemable preference shares in Newco. Under the terms of the Put and Call Option Agreement the Company and RBS Hoare Govett agreed to subscribe for ordinary shares in Newco and entered into put and call options in respect of the ordinary shares in Newco subscribed for by RBS Hoare Govett, which would have been exercisable if the Placing had not proceeded.

Under the Subscription and Transfer Agreement, RBS Hoare Govett applied monies received from subscribers under the Placing to subscribe for redeemable preference shares in Newco to an aggregate value equal to the proceeds of the Placing, after deduction of the amount of any commissions, and *inter alia*, other amounts reimbursable by the Company under the Underwriting Agreement referred to in paragraph 6.1(c) above. The Company allotted and issued the new Ordinary Shares to those persons entitled thereto in consideration of RBS Hoare Govett transferring its holdings of redeemable preference shares and ordinary shares in Newco to the Company.

Accordingly, instead of receiving cash as consideration for the issue of the new Ordinary Shares, following completion of the Placing the Company owns the entire issued ordinary and redeemable preference share capital of Newco whose only assets are its cash reserves, which represent an amount equivalent to the net proceeds of the Placing. The Company is able to utilise this amount equivalent to the Placing proceeds having exercised its right of redemption over the redeemable preference shares it held in Newco.

(e) An agreement dated 13 August 2010 between American Capital, Ltd., certain American Capital affiliates and senior management (together, the "Innova-Extel Sellers") (on the one hand) and Hunting Energy Services, Inc. ("HES") (on the other hand) relating to the acquisition, by HES, of all the issued and outstanding capital stock of Innova-Extel Acquisitions Holdings, Inc., (the "Innova-Extel Shares"). The Innova-Extel Shares were acquired in consideration of a cash payment of US$125,000,000. Under the terms of the agreement, the Innova-Extel Sellers gave certain warranties to HES relating, *inter alia*, to the Innova-Extel Shares and Innova-Extel Acquisitions Holdings, Inc. gave certain warranties to HES relating to the Innova-Extel group (subject to certain customary limitations). The Innova-Extel Sellers agreed to indemnify, severally but not jointly, HES and related parties for losses they suffer after completion as a result of, *inter alia*, the breach by Innova-Extel Acquisitions Holdings, Inc. of the warranties given by it. As further consideration for the acquisition of the Innova-Extel Shares, certain individual Innova-Extel Sellers agreed to certain restrictive covenants, including non-competition and non-solicitation covenants, in favour of HES for the duration of a five-year period following the date of completion. The remaining individual Innova-Extel Sellers agreed to certain restrictive covenants, including non-competition and non-solicitation covenants, in favour of HES for the duration of a two-year period following the date of completion. Six of the individual Innova-Extel Sellers also agreed to non-competition and non-solicitation covenants in favour of Innova-Extel Acquisition Holdings, Inc. and HES pursuant to such individual's employment and non-competition agreement executed concurrently with the purchase agreement.

(f) An agreement dated 22 December 2009 between each of Hunting Energy Holdings Limited, HG Management Services Ltd, and Huntfield Trust Limited (together the "HEF Sellers") (on the one hand) and Finergy SA (on the other hand) relating to the sale of the entire issued share capital of Hunting Energy France SA (the "HEF Shares") by the HEF Sellers to Finergy SA. The HEF Shares were sold for a total consideration of €12,428,000, of which €9,928,000 was paid on the date of completion (being 22 December 2009), with the balance of €2,500,000 settled on 28 June 2011. Under the terms of the agreement, the HEF Sellers gave certain warranties and indemnities to Finergy SA relating to, amongst other things, the HEF Shares and certain specified claims.

(g) An agreement dated 10 December 2009 between each of Alan Reid, David Deans, Kenneth Murray and William Liversidge (together, the "Welltonic Sellers") (on the one hand) and Hunting Energy Services (International) Limited ("Hunting Energy") (on the other hand) relating to the acquisition, by Hunting Energy, of the entire issued share capitals of Welltonic Limited and Welltonic Asia Pte. Ltd, shares in Welltonic Inc., and 49 per cent. of the issued share capital of Welltonic LLC (collectively, the "Welltonic Shares"). The Welltonic Shares were acquired in consideration of an initial cash payment of £7 million, paid on the date of completion (being 10 December 2009) followed by deferred consideration of £2 million, which was paid on the achievement of certain performance conditions measured over the following 18 month period. Under the terms of the agreement, the Welltonic Sellers gave certain warranties to Hunting Energy relating to the Welltonic Shares and the Welltonic group (subject to certain customary limitations) as well as indemnities in respect of certain specified liabilities. As further consideration for the acquisition of the Welltonic Shares, the Welltonic Sellers agreed to certain restrictive covenants in favour of Hunting Energy for the duration of the two-year period following the date of completion.

6.2 Save as disclosed below, no contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Titan Group either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Titan Group; or (ii) which contain any provisions under which any member of the Titan Group has any obligation or entitlement which is, or may be, material to the Titan Group as at the date of this document:

(a) An agreement dated 30 April 2010 by and among Donny Goodlett D/B/A EBS, Ewing & Jones, PLLC and Titan relating to the purchase of assets, including intellectual property related to selective fire switch assemblies and accessories used for perforating oil and gas wells by Titan. The assets were acquired in consideration of a cash payment of US$12,036,000. Under the terms of the agreement, the sellers gave certain warranties to Titan relating to, among others, the assets (subject to certain customary limitations).

(b) Pursuant to a set of acquisition documents, Titan purchased assets from Pesco Inc. on 8 March 2010, including inventory, buildings, equipment and land located in Odessa, Texas and Casper, Wyoming. The assets were acquired in consideration of a cash payment of US$2,550,000. The personal property was sold, assigned and conveyed pursuant to two bills of sale, dated 8 February 2010 and 26 February 2010, by and among Pesco Inc. and Titan. The real property located in Casper, Wyoming was conveyed pursuant to an agreement dated 8 March 2010, by and among Charles R. Putman, as grantor and TSL Real Estate Holdings LLC, as grantee. A 40-acre tract of land located in Odessa, Texas was conveyed by an agreement dated 8 March 2010, by and among Charles R. Putman, as grantor and TSL Real Estate Holdings LLC, as grantee.

(c) An agreement dated 31 December 2009 by and among Welltec A/S and Titan relating to the purchase of perforating switch system assets, including patent applications and certain related technology, intellectual property and equipment, by Titan. The assets were acquired in consideration of an upfront cash payment of US$5,600,000 at completion with five additional annual instalments of US$2,120,000 on 31 December of each year, beginning on 31 December 2010 with the final payment due on 31 December 2014. At any time before 1 April 2013, Titan has a put right to sell the switch system assets back to Welltec A/S at a price equal to 73 per cent. of the total amount of payments that have been made by Titan to Welltec A/S under the agreement through the date of the put notice less the total amount of license fees received by Titan from unaffiliated third parties from the date of completion through the date of the put notice. Titan's obligation to pay the remainder of the purchase price would cease upon the sending of the put notice. Titan is bound by indemnification obligations for damages based on Titan's liability or obligations relating to the switch system assets for any period from 31 December 2009 to 31 December 2012. Under the terms of the agreement, Welltec A/S gave certain warranties to Titan relating to, among others, the assets (subject to certain customary limitations).

(d) An agreement dated 11 December 2009 by and among A-O-T-E, Inc, Wayne Rosenthal and Titan relating to the purchase of certain assets and intellectual property, including the proprietary process of designing and manufacturing specified setting tools, by Titan. The assets were acquired in consideration of a cash payment of US$620,000 and the issue of an interest bearing promissory note in the principal sum of US$500,000 which has been fully repaid. Under the terms of the agreement, the sellers gave certain warranties to Titan relating to, among others, the assets and intellectual property (subject to certain customary limitations).

7. Litigation

7.1 There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings pending or being threatened) which may have, or during the last twelve months prior to the date of this document have had, a significant effect on the financial position or profitability of the Hunting Group.

7.2 There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings pending or being threatened) which may have, or during the last twelve months prior to the date of this document have had, a significant effect on the financial position or profitability of the Titan Group.

8. Working capital

The Company is of the opinion that, taking into account the cash and other facilities available to the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of publication of this document.

9. Consents

9.1 DC Advisory Partners has given, and has not withdrawn, its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

9.2 PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion of its report on the Historical Financial Information relating to the Titan Group set out in Section A of Part III and its report on the unaudited pro forma statement of net assets set out in Section B of Part IV of this document, in the form and context in which they are included.

10. Significant change

10.1 Save for the acquisition of Dearborn Precision Tubular Products, Inc. as set out in paragraphs 2 and 5 in Part I of this document, there has been no significant change in the financial or trading position of the Hunting Group since 30 June 2011, being the date to which the latest unaudited Half-Year Results of the Hunting Group were prepared.

10.2 There has been no significant change in the financial or trading position of the Titan Group since 31 December 2010, being the date to which the financial information in respect of the Titan Group presented in Part III of this document has been prepared.

11. Related party transactions

11.1 Details of related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) the Company has entered into:

(a) during the financial year ended 31 December 2008 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 47 on pages 102 and 103 of the Company's 2008 annual report and accounts;

(b) during the financial year ended 31 December 2009 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 45 on pages 118 and 119 of the Company's 2009 annual report and accounts; and

(c) during the financial year ended 31 December 2010 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 45 on pages 101 and 102 of the Company's 2010 annual report and accounts.

11.2 Furthermore, in the period from 1 January 2011 to 31 July 2011 (being the latest practicable date prior to the publication of this document), there are no related party transactions which the Company has entered into that require disclosure in accordance with Regulation (EC) No 1606/2002.

12. Information incorporated by reference

Information from the following documents has been incorporated in this document by reference:

Documents containing information incorporated by reference	*Paragraph in which the document is referred to*	*Where the information can be accessed by Shareholders*
The Company's 2010 annual report and accounts	Part VI, paragraph 11.1	The Company's website, www.huntingplc.com
The Company's 2009 annual report and accounts	Part VI, paragraph 11.1	The Company's website, www.huntingplc.com
The Company's 2008 annual report and accounts	Part VI, paragraph 11.1	The Company's website, www.huntingplc.com

A copy of each of the documents listed above has been filed with the FSA and is also available for inspection in accordance with paragraph 13 below.

13. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of CMS Cameron McKenna LLP at Mitre House, 160 Aldersgate Street, London EC1A 4DD during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the General Meeting:

(a) the articles of association of the Company;

(b) the Acquisition Agreement;

(c) the consent letters referred to in paragraph 9 of this Part VI;

(d) the consolidated audited accounts of the Hunting Group for the three financial years ended 31 December 2008, 2009 and 2010;

(e) the Half-Year Results;

(f) the report by PricewaterhouseCoopers LLP on the historical financial information relating to the Titan Group set out in Section A of Part III of this document;

(g) the report by PricewaterhouseCoopers LLP on the unaudited pro forma statement of net assets of the Enlarged Group set out in Section B of Part IV of this document; and

(h) this document.

NOTICE OF GENERAL MEETING

HUNTING PLC

(Incorporated and registered in England and Wales under number 974568)

NOTICE IS HEREBY GIVEN that a General Meeting of Hunting PLC (the "Company") will be held at 10.00 a.m. on 15 September 2011 at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

Ordinary Resolution

THAT the Acquisition, on the terms and subject to the conditions set out in the Acquisition Agreement (both as defined in the circular to shareholders dated 25 August 2011 (the "Circular"), a copy of which was produced to the meeting and initialled by the Chairman for the purposes of identification) be and is hereby approved for the purposes of Chapter 10 of the Listing Rules of the Financial Services Authority and the directors of the Company (or a duly authorised committee of the directors of the Company) be and are hereby authorised to conclude and implement the Acquisition in accordance with such terms and conditions and to make such non-material modifications, variations, waivers and extensions of any of the terms of the Acquisition and of any documents and arrangements connected with the Acquisition as they may consider to be necessary or desirable to complete, implement and give effect to, or otherwise in connection with, the Acquisition and any matters incidental to the Acquisition.

Registered Office:	By order of the Board
3 Cockspur Street	Peter Rose
London	Company Secretary
SW1Y 5BQ	25 August 2011

Notes:

(1) A Shareholder who is an individual is entitled to attend, speak and vote at the General Meeting or to appoint one or more other persons as his/her proxy to exercise all or any of his/her rights on his/her behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the paragraphs below. A Shareholder that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the General Meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf.

(2) A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instruction accompanies this notice.

(3) A Form of Proxy which may be used to make such appointment is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the General Meeting in person.

(4) To be effective, the instrument appointing a proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be either (a) deposited at the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing BN99 6ZL by 10.00 a.m. on 13 September 2011, (b) lodged using the CREST Proxy Voting Service – see Note (9) below, or (c) lodged electronically by visiting www.sharevote.co.uk – see Note (12) below.

(5) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

(6) The statement of the rights of Shareholders in relation to the appointment of proxies in Notes (1) and (2) above do not apply to Nominated Persons. The rights described in that Note can only be exercised by Shareholders of the Company.

(7) Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. The total number of issued Ordinary Shares in the Company on 22 August 2011, which is the latest practicable date before the publication of this document is 146,265,111. On a vote by show of hands every Shareholder who is present in person or by proxy shall have one vote. On a poll vote, every Shareholder who is present in person or by proxy shall have one vote for every Ordinary Share of which he/she is the holder.

(8) Entitlement to attend and vote at the General Meeting, and the number of votes which may be cast at the General Meeting will be determined by reference to the Company's Register of Members at 6.00 p.m. on 13 September 2011 or, if the General Meeting is adjourned, at 6.00 p.m. two days prior to the reconvened General Meeting, (as the case may be). In each case, changes to the Register of Members after such time will be disregarded.

(9) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment thereof by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(10) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in Note (4) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.

(11) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(12) You may, if you wish, register the appointment of a proxy electronically by visiting www.sharevote.co.uk. To use this service you will need your Voting ID, Task ID and Shareholder Reference Number printed on the accompanying Form of Proxy. Full details of the procedure are given on the website at www.sharevote.co.uk.

(13) Any Shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

(14) A copy of this notice and other information required by section 311A of the Companies Act 2006 can be found at www.huntingplc.com.

(15) You may not use any electronic address provided in this Notice, or any related documents, including the Chairman's Letter and Form of Proxy, to communicate with the Company for any purposes other than those expressly stated.