

HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED
(Registered Number 3532045)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1999



HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1999

The directors present their report and audited financial statements of the company for the year ended 31 December 1999.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were:

J A McColl (resigned 22 March 2000)

D L Clark (appointed 16 April 1999)

The director's did not have, at any time during the year, any notifiable interest in the share capital of the company, or its fellow subsidiary undertakings. The notifiable interests of the directors in the ordinary shares and convertible loan stock of the ultimate parent company, Hunting plc, are disclosed in the financial statements of Hunting plc.

RESULT AND DIVIDEND

During the year the company has not traded and, consequently, has made neither a profit nor loss. The directors do not propose the payment of a dividend in respect of the year.

THE ENVIRONMENT

Hunting plc, the ultimate parent company, has established an environmental policy which is appropriate to the number of different markets and countries in which group companies operate. This is subject to regular review and incorporates new objectives as appropriate. In all group companies, there is a common awareness of the need to protect the environment by controlling emissions and waste. As a responsible employer, the company is conscious of its position and role within the community and is committed to continuously improving its environmental performance and providing working environments which meet the requirements of the Health and Safety at Work Act 1974.

THE MILLENNIUM

Following the completion of a group-wide compliance programme, the Millennium passed without incident.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for maintaining proper accounting records to enable them to prepare financial statements, as required by the Companies Act 1985, which give a true and fair view of the state of affairs of the company and of the profit or loss for the company.

The directors confirm that the financial statements, using applicable accounting standards, have been prepared on a going concern basis using suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The directors are also responsible for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.


HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED

**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1999
(CONTINUED)**

AUDITORS

The auditors PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board


SECRETARY
R J Davie

5th May 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 2 the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its result for the period then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
Aberdeen

5 May 2000

HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED


BALANCE SHEET - 31 DECEMBER 1999

	1999 £'000	1998 £'000
FIXED ASSETS		
Investments (Note 3)	<u>7,590</u>	<u>-</u>
CAPITAL AND RESERVES		
Called up share capital (Note 6)	<u>7,590</u>	<u>-</u>

All the shareholders' funds are attributable to equity interests.

APPROVED BY THE BOARD

ON 5TH MAY 2000


D L Clark
Director

PROFIT AND LOSS ACCOUNT

During the period ended 31 December 1999 the company did not trade and consequently, during that period the company made neither a profit nor a loss.

HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1999

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) Related party transactions

The company has taken advantage of the 90% owned subsidiary exemption not to disclose related party transactions with members of the group.

2 DIRECTORS' REMUNERATION

The directors did not receive any remuneration for their services to the company.

3 FIXED ASSET INVESTMENTS

Shares in
subsidiary
undertakings
£'000

1 January 1999

Additions:

Investment in Hunting Oilfield Services Canada Holdings Inc

7,590

31 December 1999

7,590

A summary of the subsidiary and associate undertakings is shown in Note 5.

4 CALLED UP SHARE CAPITAL

1999
£'000

1998
£'000

Authorised

Ordinary shares of £1 each

8,000

-

Allotted, called up and fully paid

Shares of £1 each

7,590

-

HUNTING OILFIELD SERVICES OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1999 (CONTINUED)

5 SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings, all of which are wholly-owned and involved in the group's principal activities.

	Percentage interest in ordinary shares and proportion of voting rights held	Country of incorporation/ registration
Hunting Oilfield Services Canada Holdings Inc	100	Canada
Hunting Chase Inc (indirect holding – held by Hunting Oilfield Services Canada Holdings Inc)	100	Canada

6 PARENT COMPANIES

Hunting Oilfield Services (International) Limited is the parent undertaking of the smallest group to consolidate the financial statements of the company.

Hunting plc is the parent undertaking of the largest group to consolidate these financial statements, and is also the ultimate parent company.

Copies of the group financial statements of Hunting plc may be obtained from the Company Secretary, Hunting plc, 3 Cockspur Street, London SW1Y 5BQ.