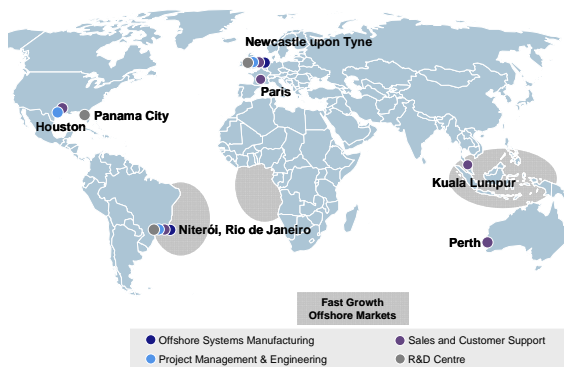


## Introduction

WELLSTREAM IS A LEADING DESIGNER AND MANUFACTURER of bespoke flexible pipeline products, systems and solutions for fluid transportation in the oil and gas industry. The business, founded in 1983, sets out to provide "Innovative pipe solutions for tomorrow's energy production".

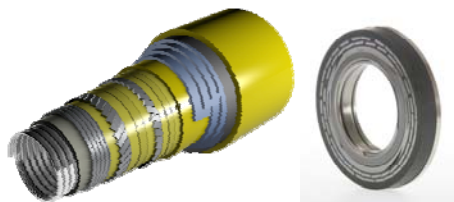
Wellstream is headquartered in Newcastle, UK with manufacturing facilities in the UK and Brazil. The company has over 850 employees.



*Strategically located relative to target growth markets*

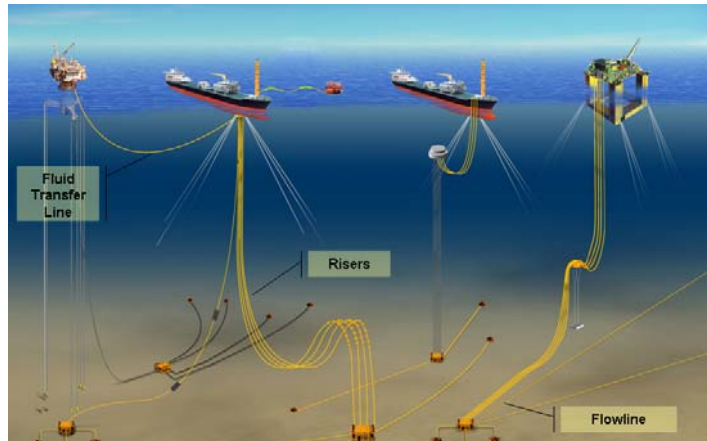
## Flexible Pipe

UNBONDED FLEXIBLE PIPES consist of concentric layers of metallic wires, tapes and extruded polymers designed to form a structure that addresses the specific environmental requirements and characteristics of the transported fluids.



## Our Business

FLEXIBLE PIPE PRODUCTS are used in many offshore field developments, but particularly where floating production vessels are involved. They include static flowlines, dynamic risers, and fluid transfer lines for the transport of hydrocarbon production and injection fluids. Customers include major oil & gas companies such as Petrobras, independent oil companies such as Anadarko Petroleum, as well as SURF (Subsea Umbilical Riser & Flowline) installers.



## Strategy for Growth

WELLSTREAM HAS DEVELOPED A LEADING POSITION as a supplier of bespoke engineering flexible pipeline products around the world. This has been built up from long term customer relationships, continuous innovation, technological engineering and a strong track record of project delivery and excellence.

The Group will continue to grow organically and through alliances or acquisitions in a market which is expected to grow from \$1.5bn in 2008 to over £2.5bn over the next 4 years.

The specific areas of focus include:

- Leveraging Wellstream's experience in Brazil: Wellstream has leased land adjacent to its Niterói facility to provide operational efficiency gains and the option for future capacity expansion. This land will also provide facilities to support the provision of offshore logistics base support to key customers and will be available late 2010.
- Focused R&D effort, through: Core product development focused on pre-salt, high temperature, high pressure technologies with ongoing testing programmes to increase the general water depth capability of the product. Expansion of the Group's technology offering with the launch of an Integrity Management service in 2010, bringing together a number of world class inspection and monitoring technologies.
- Controlling the installed cost of flexible pipe: The development of a significant capability to offer flexible flowlines and risers on a supply and install basis has long been a strategic focus of the Group. In addition to its Seastream relationship, the Group has invested in deepwater pipelay equipment capability and is developing regional EPIC offerings and FEED (Front End Engineering & Design) services.

## Selected News

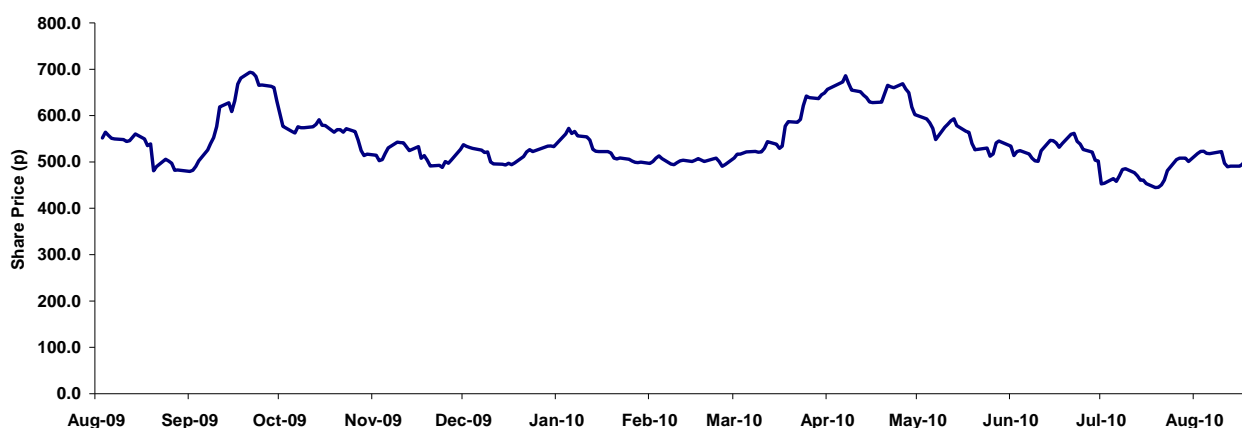
- March 2009 40% upgrade in manufacturing capacity achieved to 570nKm\*/annum
- September 2009 Divestment of FlexSteel business to Prime Natural Resources Inc for ~\$30M
- April 2010 Award of 3 year Framework Agreement by Statoil ASA
- June 2010 Launch of Integrity Management Division
- July 2010 David Mullen appointed CEO from 01 September 2010
- August 2010 Award of major installation contract from OGX Petroleo e Gas (OGX) for development offshore Brazil following on from supply contract awarded in June 2010

\* Theoretical production capacity is based on the work centre hours required to product a standard normalised 8-inch ID flexible pipe.

## Half Year Results Highlights (6 months ended 30 June 2010)

- Revenue Backlog £246m (H1 2009: £215m)
- Revenue £128.6m (H1 2009: £194.9m)
- Profits before tax £10.6m (H1 2009: £25.7m)
- Total EPS 7.1p (H1 2009: 16.7p)
- Net Debt £70m (H1 2009: £74m)
- Interim dividend 4p per share

## Share Price Performance to 19 August 2010



## Executive Directors

- John W Kennedy, Chairman
- Gordon Chapman, Chief Executive Officer
- Alasdair MacDonald, Chief Executive Officer (Acting)
- Chris Gill, Finance Director
- Chris Braithwaite, Chief Operating Officer
- Luis Araujo, President Brazil

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