



Plexus Holdings plc ('Plexus' or 'the Group')

Interim Results for the six months ended 31 December 2010

Plexus Holdings plc, the AIM quoted oil and gas engineering services business and owner of the proprietary POS-GRIP® friction-grip method of wellhead engineering announces its interim results for the six months to 31 December 2010.

Highlights

- 16% growth in sales revenue of POS-GRIP wellhead equipment and services £7.5m (2009: £6.5m)
- 78.5% increase in EBITDA of £2.6m (2009: £1.4m) – (before IFRS2 share based payment charges)
- Profit before tax £1.1m (2009: £0.1m)
- Continuing to secure and extend contracts with major international oil and gas companies to supply proprietary POS-GRIP wellhead equipment
- High pressure/high temperature ('HP/HT') contract win with new customer Apache Energy Australia for exploration offshore NW Australia with a value in excess of £1.0m commenced November 2010
- New customer and new country win with Murphy Suriname Oil Ltd. for two 10,000 psi exploration wells in Suriname, South America for £0.5m commenced November 2010
- Post period end HP/HT contract secured with Statoil Petroleum AS for exploration in the Norwegian Continental Shelf with a value of approximately £0.7m commencing August 2011
- Proceeding with the development and qualification of a new POS-GRIP friction-grip subsea wellhead HGSS™, following the completion of the initial conceptual design stage March 2011
- Continued capital investment of £1.0m (2009: £1.1m) of which £0.6m was rental inventory (2009: £0.4m)
- Research and Development ('R&D') spend continued at £0.3m (2009: £0.36m)
- Successful conclusion to a dialogue with the American Petroleum Institute ('API'), and the completion of an assessment of friction-grip technology by Det Norske Veritas ('DNV'), enables Plexus to market POS-GRIP technology as compliant with API Spec 6A wellhead standards and the equivalent ISO 10423

- Bank facilities renewed and increased - comprises a £5m credit facility on a three year revolving basis, increased from £4m, with an additional £1m overdraft on a yearly term
- Basic earnings per share of 1.32p (2009: 0.11p)
- 6.1% increase in interim dividend of 0.35p per share approved for payment on 14 April 2011 to members appearing on the register on 1 April 2011

Plexus' Chief Executive Ben van Bilderbeek said,

“I am pleased to report a strong set of results for the first six months of our financial year. Plexus has made substantial progress both in terms of organic sales activities and important strategic initiatives to expand the Group’s growth potential within the oil and gas wellhead industry. This led post period end to the launch of a key project to develop and qualify a new POS-GRIP friction-grip subsea wellhead, HGSS. This is in response to recent regulatory reports and government initiatives that bring into question conventional wellhead technology and performance capabilities. Our new wellhead design will look to deliver a number of key features in relation to higher performance and testing standards that are actively being considered and pursued by various international operators. Specifically, the key capabilities will include locking down of casing and tubing hangers; effective sealing over large contact areas for the life of the well and beyond; annulus pressure monitoring with remedial capability; and the use of qualification test procedures which reflect ‘true life’ field conditions whilst matching accepted higher standards such as those required for casing and tubing couplings.

“I believe that we are entering into an exciting phase of Plexus’ development, despite current business activities taking place against an adverse backdrop of various global geo-political uncertainties. As oil and gas prices continue to increase due to current supply constraints and rising global demand, we believe substantial investment into additional exploration activities will inevitably follow. At the same time there is clear evidence of a growing awareness of the need for “better and safer technology”, and I am confident that Plexus and its proprietary friction grip technology can play an increasingly important role in delivering such requirements. Whilst we are initially focusing on solutions for wellhead equipment and related seal performance, both for surface and subsea activities, in due course we will look to apply our POS-GRIP friction grip technology to more diverse new product applications such as valves, connectors, and tanker mooring systems.

“During the period we have continued to enhance our reputation for the supply of rental exploration equipment which delivers a range of operational advantages including technical performance, installation time savings, reduced operating costs and enhanced safety, particularly for HP/HT applications. This has helped us extend our geographic reach with a new customer offshore Australia, and also to Suriname in South America, again with a new customer. In addition we have begun to market our technology and equipment as API Spec 6A compliant for those operators that seek such assurance even though we maintain that our technology significantly exceed current accepted standards for certain applications.

“For these reasons I am confident that we can continue to grow organically and strategically by leveraging the unique nature of our technology over the coming months and years, and look forward to achieving our goal of delivering significant value to shareholders.

“Finally, due to the solid trading period, I am delighted to announce that the directors of the Group have approved the payment of an increased interim dividend of 0.35p per share which will be paid on 14 April 2011 to members appearing in the register on the record date of 1 April 2011.”

For further information please visit www.posgrip.com or contact:

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Chairman's Statement

Business Progress

I am pleased to report that in line with management’s expectations Plexus has made solid progress in the first six months of the financial year as we continue to see an increased level of organic business activity. We believe this is a direct result of the recovery in the global demand for energy, oil prices increases, and the growing reputation of our proprietary POS-GRIP friction-grip wellhead technology. These factors have also helped us to further expand our geographic reach to include Australia and South America. Alongside this organic progress we have continued to work on addressing a number of important technical and engineering issues that have become increasingly topical following recent well control incidents around the world. These strategic initiatives have culminated in the launch of a new product development project for an innovative subsea wellhead system, HGSS, utilising our proprietary friction-grip technology. To ensure that suitable funding is in place our bank facilities were increased during the period by 20% with Bank of Scotland Corporate and now consists of a £5m credit facility on a three year revolving basis with an additional £1m overdraft facility agreed on a yearly term.

Operating Review

Plexus is an engineering led business which owns a suite of proprietary technology that delivers a number of unique advantages and solutions to wellhead equipment users in terms of safety, time savings, and operational performance. These advantages are particularly beneficial for HP/HT gas applications that are growing in importance as operators’

exploration activities extend to more unconventional and deeper reservoirs that require superior and enabling technology. Furthermore, as government regulators and safety organisations focus on improving current drilling practices and technologies, we believe that over time this will lead to Plexus equipment being increasingly recognised as a wellhead of choice, rather than simply in some cases a wellhead of necessity.

These considerations, we believe, have helped us secure a number of important exploration contracts during the first half of the financial year and post period end. Firstly we have extended our scope of operations to offshore Australia for the first time with Apache Energy Australia, a subsidiary of Apache Energy Limited, for a 15,000 psi HP/HT well, and it is hoped that this will generate further opportunities in the region. Secondly we gained another new customer in a new region, Murphy Suriname Oil Ltd. in Suriname, South America, to supply 10,000 psi POS-GRIP wellhead technology for two exploration wells; it is also hoped that a first time presence in this country could lead to further sales opportunities not only in Suriname, but also in neighbouring Guyana and Trinidad. The third contract win of note was post period end securing additional business with leading oil and gas company Statoil Petroleum AS ('Statoil') for an HP/HT well offshore Norway. Plexus has worked with Statoil previously and we hope that this continued working relationship bodes well for future business.

Plexus has always maintained that POS-GRIP technology for certain wellhead system applications significantly exceeds current accepted standards in critical areas such as annular seal integrity and hanger lock down capacity. However there are operators who rely on prescriptive wellhead standards such as API Spec 6A rather than internal engineering analysis, and for this reason we were pleased during the period to conclude a dialogue with the API which in combination with the completion of an assessment of friction-grip technology by DNV enabled Plexus to market POS-GRIP technology as compliant with API Spec 6A wellhead standards and the equivalent ISO 10423.

This progress has to be supported by necessary and ongoing investment in rental inventory, infrastructure, and intellectual property. Plexus therefore continues to commit to an ongoing capital expenditure programme, and will be adding additional sets of wellhead equipment over the next six to twelve months. This will ensure enough capacity to service future customer demands, and manage utilisation constraints that can develop when equipment is being deployed in a diverse number of locations around the world.

Alongside investment in the operational activities of the business we also maintain an active R&D programme which continually addresses ways of extending the performance and capabilities of our proprietary POS-GRIP technology, not only for surface jack up rig exploration applications but also for surface production and subsea wellhead applications, as well as pursuing new product development opportunities. An example of this is an ongoing project to demonstrate to the industry that a 15,000 psi HP/HT Mudline Tieback is achievable for HP/HT exploration wells and pre-drilled production wells by using POS-GRIP set metal-to-metal 'HG'® seals. Currently HP/HT exploration wells are permanently abandoned after drilling as there is no acceptable technical solution available to convert such wells to subsea or platform producing wells. With an HP/HT exploration well costing

anything from £50m to £200m it should clearly be of interest to the industry to avoid having to 'throw away' such an investment. Testing and manufacture of the prototype is underway with assembly and testing scheduled for the first quarter of the next financial year.

A major new project recently announced concerns the design and development of a new POS-GRIP HGSS Subsea Wellhead. This project follows on from Plexus inviting key oil and gas operators and service companies to contribute to the process of developing a new subsea wellhead which utilises friction-grip technology, whilst considering a number of key technical issues that have been brought sharply into focus following recent offshore well control incidents around the world. These issues include the need for all casing and tubing hangers to be locked down 'instantly' with sufficient capacity to withstand forces in the well whilst avoiding the problems and costs associated with lock down rings; that wellheads should provide effective sealing over large contact areas throughout and beyond the productive life of a well; and that wellhead test standards need to reflect a systems ability to withstand 'true life' field conditions, and should also match the accepted higher standards of other critical performance items of equipment in the well such as casing and tubing couplings.

A further critical feature, which both industry and regulators have been highlighting, concerns the importance of annulus pressure monitoring and access to address sustained casing pressure ('SCP') situations. In the past, annulus monitoring in subsea applications was considered technically impractical, uneconomic, and risk compounding. However recent official reports have recommended that future subsea technology should include diagnostic capabilities and remedial facilities to deal with unforeseen circumstances. The ability to activate and re-activate metal-to-metal seals in the wellhead bore enables our friction-grip method of engineering to achieve monitoring of annular seal integrity as well as annulus pressure variations. Furthermore the ability to open and reseal the casing annulus at will enables remedial cement job procedures. These features and functions all form part of our innovative HGSS subsea wellhead design, and will enable subsea monitoring and remedial capabilities, including 'bleed off', without penetrations through the wellhead body.

We believe that our unique ability to design a subsea wellhead that incorporates all of these technical safety and performance features will be of significant commercial benefit to the Group and to the oil and gas industry over the coming years. This opportunity will be further enhanced by our plan to incorporate new test standards for casing hanger and annular seal qualification into our design as specified by a major independent operator which go well beyond what is currently required under API 17D/ISO 13628-4. The project is currently estimated to last up to two years and cost between £1.5m and £2m. The majority of these costs we believe will qualify as R&D, and the intellectual property ('IP') generated by the project will be owned by Plexus, further strengthening our extensive suite of POS-GRIP related IP.

As you will be aware, Plexus for a long time has championed the need for improved standards and practices for surface wellheads. We have maintained our belief that the

ability to avoid and control potential blow outs is significantly increased by the use of 'through the blow out preventer' ('BOP') wellhead designs such as POS-GRIP. An unfortunate incident offshore Western Australia on the Montara well in late 2009 was another incident that underlines the importance of such basic engineering principles. The Montara Commission of Inquiry reported its findings last year and concluded that had properly designed Abandonment Caps, (the report calls them PCCC's), been installed and retrieved through the BOP, then this disaster would most likely have been averted. However the crucial issue remains that until such 'through the BOP' equipment is selected and specified as a matter of course at the well planning stage, operators will continue to expose personnel and the environment to such risks. However with regulators and legislation becoming ever more vigilant we are hopeful that such messages will gain momentum and in turn increase the market opportunity for our equipment. With these developments in mind, we are currently very active both in terms of securing contracts, and in terms of strategic initiatives all designed to ensure that POS-GRIP technology becomes a new wellhead standard in the coming years. We continue to work hard to communicate the benefits of our technology as effectively as we can to our peers and other interested parties, and believe that our reputation for supplying innovative wellhead equipment will move us to a point where we will be recognised as being able to supply a superior essential component needed to access the growing number of unconventional reservoirs, safely and reliably.

Interim Results

Revenue for the six month period ended 31 December 2010 was £7.5m, which is £1m above the previous year's figure of £6.5m. The rental wellhead associated services and equipment business activities for exploration drilling contracts accounted for over 90% of sales revenues, the same as the prior year. The largest sales component remains the supply of our HP/HT wellhead equipment which accounted for approximately 73% of total revenues which compares to 80% for the same period last year. Revenue generated by the rental of 10,000 psi standard pressure wells increased 116.5% to £1.6m as compared to £0.7m last year, and reflects the increased exploration activity that we have seen in the North Sea where higher oil prices are encouraging increased expenditure.

Gross margins have increased to 61.6% in the first half of the year from 54.1% in the comparative period last year. This reflects both the higher margins associated with HP/HT rental activities, and lower levels of equipment refurbishment costs due to certain contracts being of an ongoing nature which meant that equipment was not returned to the Plexus Aberdeen facility during the period.

Administration expenses have continued to increase year on year and totalled £3.5m for the period, up from £3.3m last year. However a continued focus on cost controls resulted in the proportion of these expenses as a percentage of sales revenues reducing to 46.5% as compared to 51.1% in the previous year.

The profit before tax of £1.1m increased substantially from the previous year (2009: £0.1m), although it should be noted that last year's results were weighted towards the second half of the financial year. This excellent result was achieved after absorbing depreciation and amortisation increases of £0.17m, and which totalled £1.35m in the period against £1.18m for the same period last year. This increase reflects the recent and ongoing investment in Plexus' asset rental equipment inventory which is essential to support the growing number of customers operating in a wide variety of geographic locations adding to increased logistical demands. The profit before tax is stated after charges for share based payments under IFRS2; the charge for the half year to December 2010 is £0.08m, which is unchanged from the corresponding period last year. The Group has provided for a charge to UK Corporation tax at a rate of 28% which is expected to be the rate of tax for the full year and compares to a rate of 28% last year. The effective rate of tax is 4% (2009: 30%) after the application of both R&D tax credits relating to both the current and prior years and offsets for disallowable expenditure. Basic earnings per share amounted to 1.32p per share (2009: 0.11p).

The balance sheet continues to reflect the ongoing investment in operations with property, plant and equipment including items in the course of construction increasing to £8.4m at the end of December 2010 from £8.2m at the end of December 2009. This continued to be driven by ongoing capital expenditure investment in the expansion of rental inventory which increased 40.5% compared to the same period last year, as well as R&D activity. Net cash closed at £0.67m compared to net borrowings of £2.9m primarily reflecting the Group receiving a number of large customer payments that were outstanding at the June 2010 year end. As a result of this strong cash flow the Group remained well within its bank facilities with Bank of Scotland Corporate which were increased during the period in anticipation of both a rise in R&D activity, and an increase in rental inventory capital expenditure over the next 18 months. The new bank facilities now total £6.0m comprising a three year revolving £5.0m credit facility, and an additional £1.0m overdraft facility agreed on a yearly term.

Outlook

We are pleased with the results for the first six months and are confident that progress will continue to be made in the second half both in terms of organic and strategic activities. Contract wins in the period with new customers in new territories, as well as repeat business demonstrates that the oil and gas industry is becoming increasingly aware of and receptive to the advantages of POS-GRIP wellhead equipment. Currently we are particularly benefiting from the fact that our technical and performance advantages are relevant for the growing number of HP/HT activities around the world. I therefore look to the future with confidence, and at the current time anticipate our full year results being in line with market expectations.

It is important to note that an increased level of capital investment and exploration activity is taking place globally as operators look for new and secure sources of oil and gas. An example of this, which Plexus expects to benefit from over the coming years, concerns the

North Sea. In February 2011 Oil and Gas UK's latest 'Activity Survey' (which incorporates the latest investment, exploration, and production data supplied by all the leading exploration and production companies operating in the UK) stated that after a declining trend in recent years where capital investment in 2009 was £5 billion, this could increase by 60% to £8 billion, and that this rate of annual investment could be sustained for the next five years. As the Scottish and Norwegian North Sea is an important territory for Plexus, this bodes well for the future.

These global investment trends, in conjunction with our strategic initiatives built around our POS-GRIP friction-grip technology, will help us amplify our message to the industry that we offer a range of superior wellhead equipment, and not only for exploration activities, but also for production wellheads both surface and in due course subsea with the launch of our new HGSS subsea wellhead design with unique performance and remedial features. At the same time it is increasingly clear that following recent incidents governments, regulators, safety bodies, and operators are more focused than ever on identifying ways in which a whole range of key oil and gas equipment, including wellheads can be improved and made safer under the mantra of pursuing 'BAST' (best and safest technology). We believe that Plexus will be able to play an important role in raising such standards for wellheads, and that our reputation for innovative and enabling technology with clear safety and performance advantages is being recognised and places us in the 'strong technology' category which can only help drive future business progress.

Finally I would like to thank all those involved with the Group for their hard work and commitment during the last six months.

Robert Adair
Chairman
24 March 2011

Plexus Holdings Plc
Unaudited Interim Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2010

	Six months to 31 December 2010	Six months to 31 December 2009	Year to 30 June 2010
	£ 000's	£ 000's	£ 000's
Revenue	7,539	6,473	13,142
Cost of sales	<u>(2,894)</u>	<u>(2,974)</u>	<u>(5,453)</u>
Gross profit	4,645	3,499	7,689
Administrative expenses	<u>(3,509)</u>	<u>(3,312)</u>	<u>(6,918)</u>
Operating profit	1,136	187	771
Finance income	2	1	-
Finance costs	(59)	(60)	(127)
Share of (loss) / profit of associate	(1)	3	1
Fair value adjustment to associate	<u>18</u>	<u>-</u>	<u>-</u>
Profit before taxation	1,096	131	645
Income tax expense (note 5)	(41)	(39)	58
Profit after tax	<u>1,055</u>	<u>92</u>	<u>703</u>
Other comprehensive income	-	-	-
Total comprehensive income	<u><u>1,055</u></u>	<u><u>92</u></u>	<u><u>703</u></u>
Earnings per share (pence)			
Basic (note 6)	1.32p	0.11p	0.88p
Diluted (note 6)	1.30p	0.11p	0.87p

Plexus Holdings Plc
Unaudited Interim Consolidated Balance Sheet
As at 31 December 2010

	31 December 2010	31 December 2009	30 June 2010
	£ 000's	£ 000's	£ 000's
ASSETS			
Goodwill	759	722	722
Intangible assets	6,978	6,647	6,897
Financial assets	60	60	60
Investment in associate	-	1	4
Property, plant and equipment	8,372	8,181	8,866
Total non-current assets	16,169	15,611	16,549
Inventories	3,335	3,161	3,332
Trade and other receivables	2,533	5,033	6,624
Current income tax assets	627	-	451
Cash and cash equivalents	4,676	1,944	1,470
Total current assets	11,171	10,138	11,877
TOTAL ASSETS	27,340	25,749	28,426
EQUITY AND LIABILITIES			
Called up share capital	802	802	802
Share premium account	15,596	15,596	15,596
Share based payments reserve	843	628	764
Retained earnings	2,416	1,286	1,674
Total equity attributable to equity holders of the parent	19,657	18,312	18,836
Deferred tax liabilities	588	563	469
Bank loans	4,000	4,000	4,000
Total non-current liabilities	4,588	4,563	4,469
Trade and other payables	3,095	2,261	4,748
Current income tax liabilities	-	16	-
Borrowings	-	597	373
Total current liabilities	3,095	2,874	5,121
Total liabilities	7,683	7,437	9,590
TOTAL EQUITY AND LIABILITIES	27,340	25,749	28,426

Plexus Holdings Plc
Unaudited Interim Cash Flow Statement
For the six months ended 31 December 2010

	Six months to 31 December 2010	Six months to 31 December 2009	Year to 30 June 2010
	£ 000's	£ 000's	£ 000's
Cash flows from operating activities			
Profit before taxation	1,096	131	645
Adjustments for:			
Depreciation, amortisation and impairment charges	1,349	1,178	2,430
Loss on disposal of property, plant and equipment	30	-	19
Charge for share based payments	79	78	214
Investment income	(2)	(1)	-
Interest expense	59	60	127
	<u>2,611</u>	<u>1,446</u>	<u>3,435</u>
(Increase) / decrease in inventories	(3)	633	462
Decrease / (increase) in trade and other receivables	4,091	(234)	(1,825)
(Decrease) / increase in trade and other payables	<u>(1,653)</u>	<u>(1,071)</u>	<u>1,417</u>
Cash generated from operations	<u>5,046</u>	<u>774</u>	<u>3,489</u>
Income taxes paid	<u>(98)</u>	<u>(666)</u>	<u>(1,089)</u>
Net cash generated from operating activities	<u>4,948</u>	<u>108</u>	<u>2,400</u>
Cash flows from investing activities			
Adjustment to value of associate undertaking	4	-	(3)
Purchase of intangible assets	(346)	(238)	(707)
Purchase of property, plant and equipment	(657)	(815)	(2,560)
Proceeds of sale of property, plant and equipment	-	-	8
Net cash used in investing activities	<u>(999)</u>	<u>(1,053)</u>	<u>(3,262)</u>
Cash flows from financing activities			
Interest paid	(59)	(59)	(127)
Interest received	2	1	-
Equity dividends paid	<u>(313)</u>	<u>(305)</u>	<u>(569)</u>
Net cash used in financing activities	<u>(370)</u>	<u>(363)</u>	<u>(696)</u>
Net increase / (decrease) in cash and cash equivalents	<u>3,579</u>	<u>(1,308)</u>	<u>(1,558)</u>
Cash and cash equivalents at 1 July	<u>1,097</u>	<u>2,655</u>	<u>2,655</u>
Cash and cash equivalents at 31 December	<u><u>4,676</u></u>	<u><u>1,347</u></u>	<u><u>1,097</u></u>

Plexus Holdings Plc
Unaudited Interim Statement of Changes in Equity
For the six months ended 31 December 2010

	Called Up Share Capital	Share Premium Account	Share Based Payments Reserve	Retained Earnings	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Balance as at 1 July 2009	802	15,596	550	1,499	18,447
Profit for the year	-	-	-	703	703
Share based payments reserve charge	-	-	214	-	214
Deferred tax movement on share options	-	-	-	41	41
Dividends	-	-	-	(569)	(569)
Balance as at 30 June 2010	802	15,596	764	1,674	18,836
Profit for the period	-	-	-	1,055	1,055
Share based payments reserve charge	-	-	79	-	79
Dividends	-	-	-	(313)	(313)
Balance as at 31 December 2010	802	15,596	843	2,416	19,657

Notes to the Interim Report December 2010

1. This interim financial information does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 and is unaudited.

This unaudited interim report has been prepared on the basis of the accounting policies set out in the annual report for the year ended 30 June 2010 and which are also expected to apply for 30 June 2011.

The interim financial information is compliant with IAS 34 – Interim Financial Reporting.

The accounting policies are based on current International Financial Reporting Standards (“IFRS”), International Financial Reporting Interpretation Committee (“IFRIC”) interpretations and current International Accounting Standards Board (“IASB”) exposure drafts that are expected to be issued as final standards and adopted by the EU such that they are effective for the year ending 30 June 2011. These standards are subject to ongoing review and endorsement by the EU and further IFRIC interpretations and may therefore be subject to change.

2. This interim report was approved by the board of directors on 23rd March 2011.

3. During the interim period the Group paid a dividend on ordinary shares of £312,713. The directors have approved the payment of an interim dividend of 0.35p per share which will be paid on Thursday 14 April 2011 to members appearing in the register on the record date of Friday 1 April 2011.

4. There were no other gains or losses to be recognised in the financial period other than those reflected in the Statement of Comprehensive Income.

5. Taxation on the operating profit after interest has been provided at a rate of 28% for the six months ended 31 December 2010 (2009: 28%) which is the estimated rate of UK tax for the full year. The effective rate of tax for the six months is 4% (2009: 30%) after adjustments made to reflect R&D tax credits received relating to the current and prior years and offsets for disallowable expenditure.

6. Basic and pre-exceptional earnings per share are based on the weighted average of ordinary shares in issue during the half-year of 80,182,569 (2009: 80,182,569). The calculation of fully diluted earnings per share is based on the weighted average number of ordinary shares in issue plus the dilutive effect of outstanding share options being 748,097 (2009: 100,622). The number of shares included in the calculation of fully diluted earnings per share was 80,930,666 (2009: 80,283,191).

7. The Group derives turnover from the sale of its POS-GRIP friction grip technology and associated products, the rental of wellheads utilising the POS-GRIP friction grip

technology and service income principally derived in assisting with the commissioning and ongoing service requirements of its equipment. These income streams are all derived from the utilisation of the technology which the Group believes is its only segment. Business activity is not subject to seasonal or cyclical fluctuations.

8. During the period, the Group acquired the remaining 51% of the shares of Plexus Ocean Systems (Malaysia) Sdn Bhd bringing its shareholding up to 100%. As a result the company has been reclassified as a subsidiary undertaking having previously been held as an associate undertaking.

9. During the period, Mr. B. van Bilderbeek, a director, advanced monies to the Group totalling £500k. At 31 December 2010, this amount remained outstanding and is included within Trade and Other Payables on the Balance Sheet.

10. The comparative figures for the financial year ended 30 June 2010 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors, Crowe Clark Whitehill LLP, and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.