

2011 Capital Markets Day: Weir Oil & Gas Upstream

London, 21 June 2011



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Introduction

Keith Cochrane: CEO, The Weir Group PLC



Weir Oil & Gas - Weir SPM, Texas, USA

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Agenda

- **Introduction**
Keith Cochrane, Chief Executive
- **Oil & Gas divisional overview**
Steve Noon, Divisional Managing Director
- **Market overview**
Richard Spears, Spears & Associates
- ***Coffee Break***
- **Introduction to Weir Upstream**
Gavin Nicol, President, Weir SPM
- **Products and markets**
Bill Tipton, Divisional VP, Business Development
- **Engineering excellence**
Chris Poole, Executive VP, Engineering
- **Operational excellence**
Richard Hinsley, Executive VP, Order Fulfilment
- **Wrap-up**
Keith Cochrane, Chief Executive
- **Question & Answer session**
Panel

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This presentation contains certain forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing to the Company, anticipated cost savings or synergies and the completion of the Company's strategic transactions, are forward-looking statements. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Capital Markets Day Presentation, and will not be updated during the year. Nothing in this Capital Markets Day Presentation should be construed as a profit forecast.

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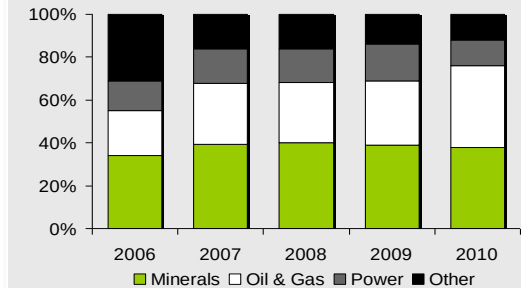
Oil & Gas market; a major contributor to Weir

- Aligned to core Weir strengths
 - *Precision engineered equipment*
 - *Equipment vital to operations*
 - *High temperature, pressure and abrasive applications*
 - *Large aftermarket, support levels critical*

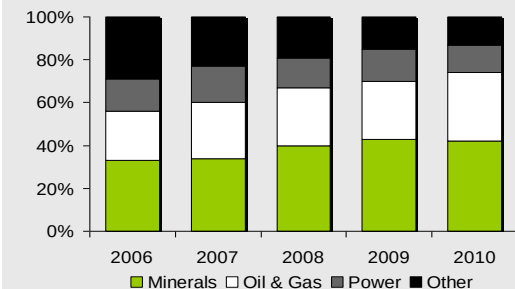
- Identified as strategic growth opportunity
 - *Strong underlying demand drivers*
 - *'Easy' oil & gas depleting; new resources equipment intensive*
 - *Oil sands, oil shales, deep water*
 - *Many O&G applications across existing product portfolio*
 - *Acquisitions provided upstream platform*

- Strong organic and acquisitive growth delivered
 - *Input up 165% since 2006*
 - *38% of Weir input in 2010, matching minerals sector input*
 - *Contribution increased from 21% in 2006*

Input by sector



Output by sector



Key acquisitions & joint ventures

- 2007; \$653m SPM acquisition
- 2008; \$40m Mesa acquisition
- 2008; £8m SOS acquisition
- 2010; PCS acquisition
- 2010; Shengli Highland JV

Oil & Gas market a major contributor to the Weir growth story



Oil & Gas; opportunities across the Weir Group

- 8% of Minerals input from Oil & Gas
 - *Oil Sands*
 - *Vertical turbine pumps*
 - *Elastomer / rubber products*
- 11% of Power & Industrial input from Oil & Gas
 - *Subsea rotary gate valves*
 - *Choke valves*
 - *Gate valves*
- Leveraging full portfolio across Oil & Gas sales channels
 - *Group-wide Oil & Gas forum formed to drive delivery*
 - *Over \$100m of opportunities identified upstream*
 - *Delivered over \$4m revenues year to date*

Oil Sands dewatering barges



Subsea MEG dosage rotary gate valve



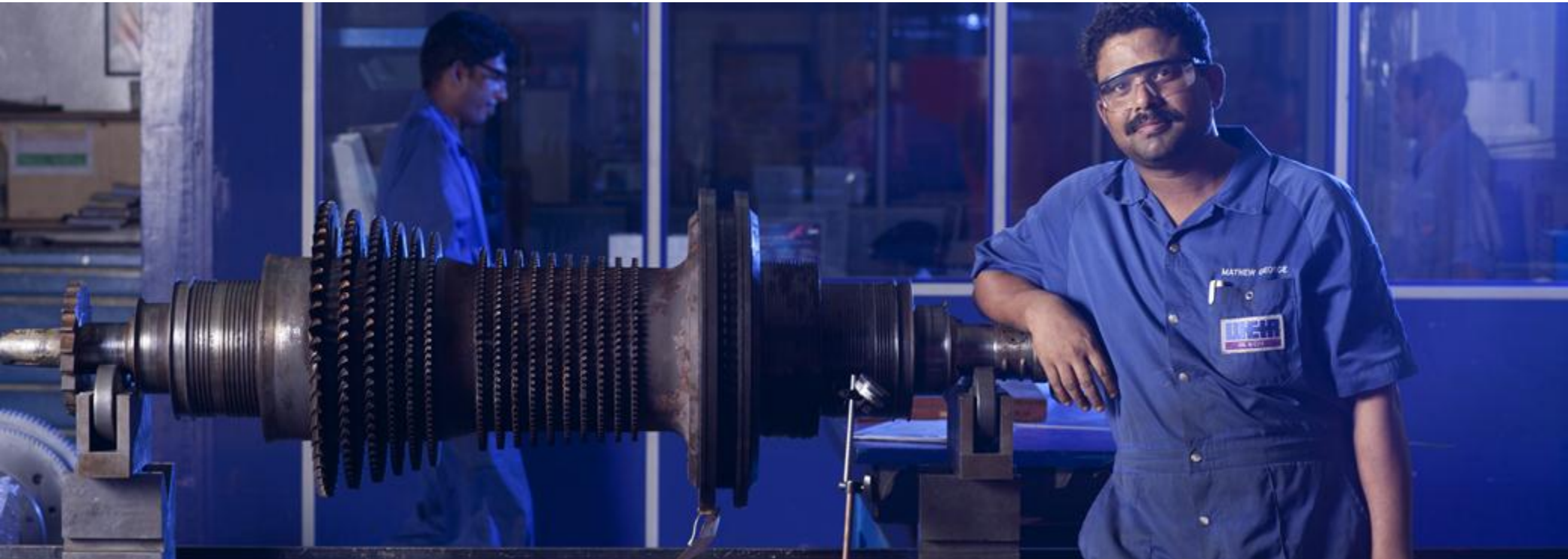
Oil & Gas Forum opportunities

- Centrifugal pumps
- Subsea valves
- Rubber tools & expendables
- Horizontal pumps

Leveraging oil & gas network across the Weir Group

Oil & Gas overview

Steve Noon: Managing Director, Oil & Gas Division



Weir Oil & Gas Services, Dubai

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WEIR

Overview: Oil & Gas division

- Division formed in May 2008
- Catalyst: acquisition of SPM, mid 2007
- Appointed President SPM, 2007
- Appointed Divisional Managing Director, 2009



Oil & Gas division overview

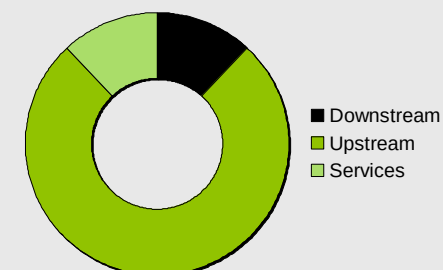
£m	2008 ⁽¹⁾	2009 ⁽¹⁾	2010
Input OE	157	124	289
Input aftermarket	176	194	337
<i>Input total</i>	<i>333</i>	<i>318</i>	<i>626</i>
Revenue OE	140	119	194
Revenue aftermarket	185	189	268
<i>Revenue total</i>	<i>325</i>	<i>308</i>	<i>462</i>
EBITA	74	53	117
Operating margins ⁽²⁾	22.8%	17.2%	25.4%

- Market leading position in Pressure Pumping and Flow Control
- Niche position in centrifugal pumps for refining and petrochemicals
- Respected services positions for repair and upgrades
- Resilient business model; leading margin performance versus peers
- Market leading responsiveness; increasing market share

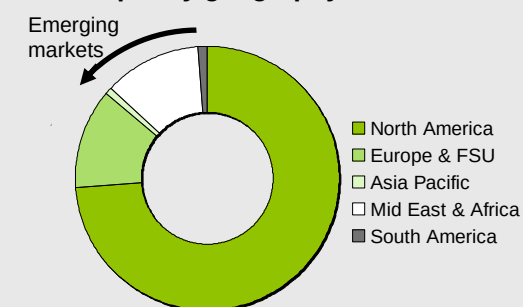
1. 2008 and 2009 restated at 2010 average exchange rates

2. Adjusted to exclude intangibles amortisation

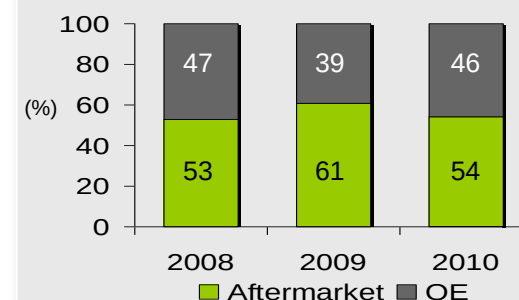
2010 Input by business line



2010 Input by geography %



Input OE / Aftermarket %



2010 strategic initiatives: progress update

2010 strategic initiatives

- Targeting service majors
- Extend SPM overseas
 - PCS acquisition, South America
 - Shengli Highland MOU
- Doubling SPM engineering resources
- Investing in SPM product development
- Services
 - Leverage key accounts
 - Middle East expansion
- Weir Oil & Gas forum
 - Leverage Weir portfolio

Progress update

- Expanded market share with majors
 - Four fold input gains from one service major
- Opened SPM service centre in Macae, Brasil
- Shengli JV completed and operational in H2
- Engineering resource more than doubled
 - University partnerships established
- >\$50m revenue from new products in 2010
 - Significant new product releases in 2011/12
- Services; successfully re-entered Iraq
- Working on >\$100m of cross-divisional revenue opportunities ⁽¹⁾

Delivering on strategic initiatives



2011 divisional strategic initiatives

2011 strategic initiatives

Upstream

- Redeploy resources
- Expansion of capacity
- Commercialise Destiny™ and Mousetrap
- New plunger facility at Mesa
- New swivel facility at SPM

Downstream

- Deliver cost structure improvements
- Develop low cost product alternative
- Integrate Begemann product

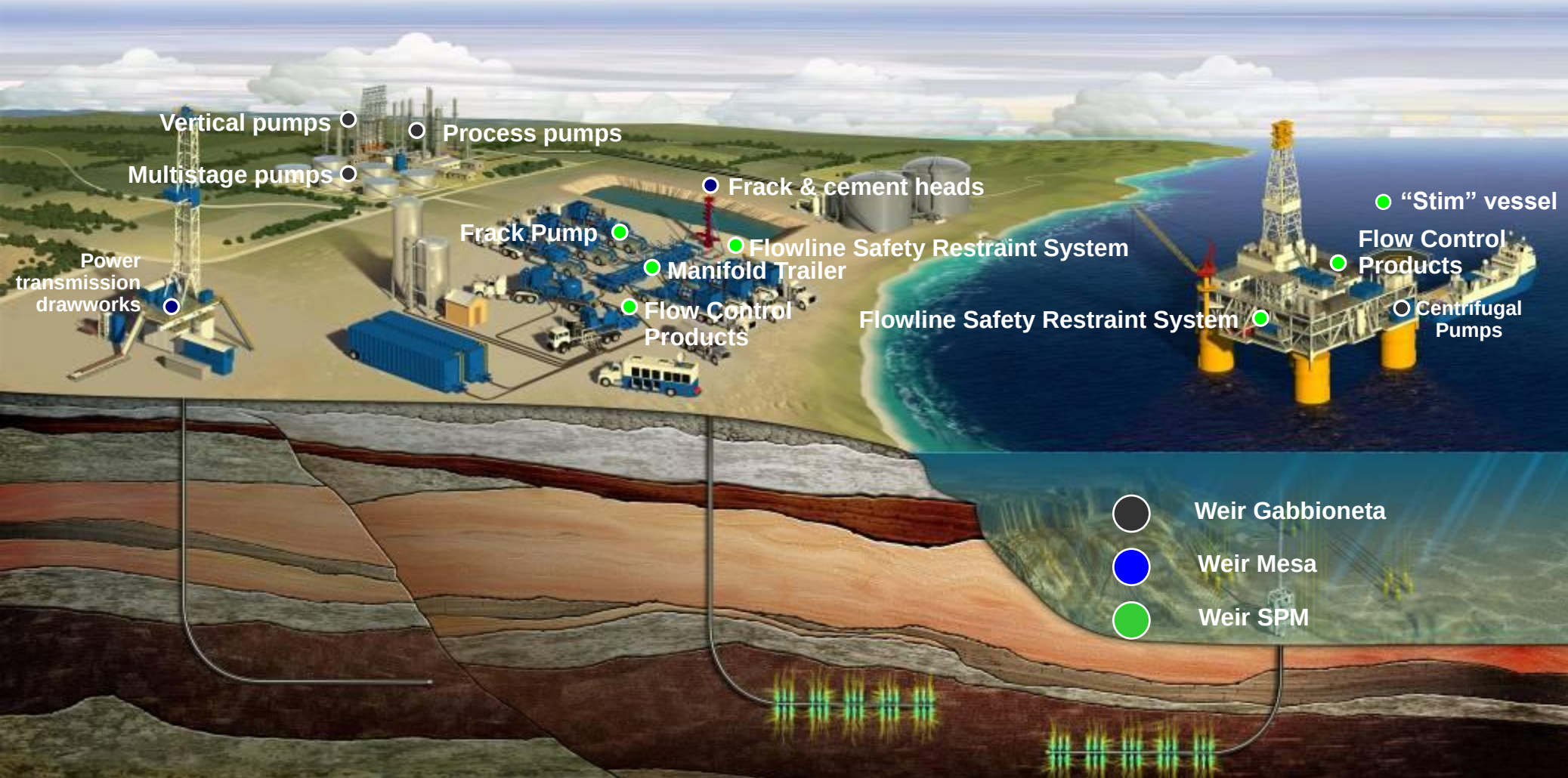
Services

- Deliver Iraq opportunities
- Develop regional base as supplier to SPM

Progress update

- Senior management relocated to SPM
- Capacity expansions fast-tracked
- Destiny™ launched, immediate market impact
- Mousetrap: to be commercialised in H2
- Plunger expansion now operational
- Swivel facility: operational H2
- Restructuring approved: low cost facility 2012
- Designs validated for low cost products
- Begemann successfully integrated
- Iraq: forecasting \$20m input in 2011
- Edmonton: fluid ends – SPM Canada

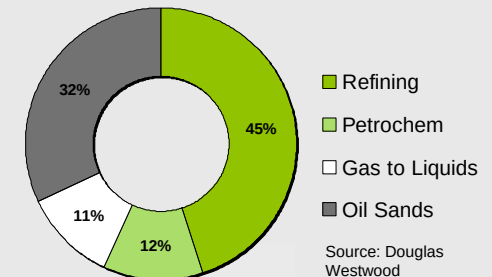
Oil & Gas division products



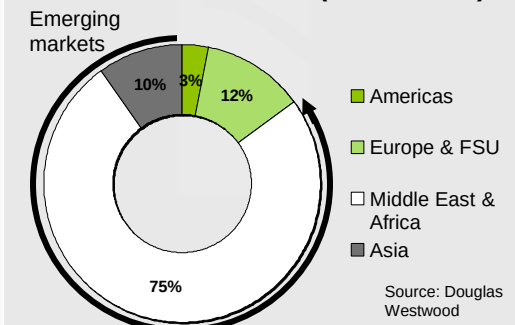
Downstream end markets

- Global downstream markets currently depressed
 - *Different cycle to upstream*
 - *Low point in the cycle*
- Niche player in EMEA
 - *2.4% CAGR expected 2011 – 2014 ⁽¹⁾*
 - *Competitive forces strong; OE growth difficult*
- Restructuring of Gabbioneta underway
 - *Rationalisation of Milan factories*
 - *Start up of low cost European source for smaller pumps*
 - *Value add designs to improve competitiveness*
- Strong spares model
 - *Margins maintained above 10% ⁽²⁾*

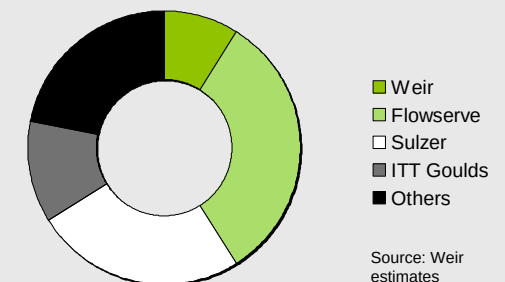
Equipment market by sector - £6.1bn



Served market - £1.2bn (21% of total)



Estimated market shares



Niche position within Europe, Middle East and Africa



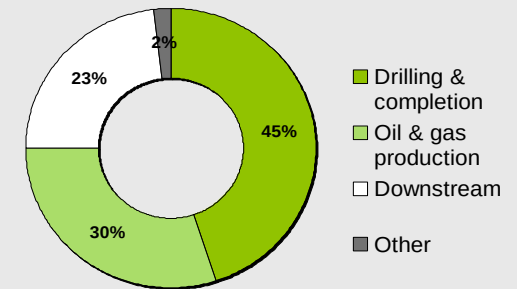
Services end markets

- Strong footprint in the Middle East
 - *c.850 staff in the region ⁽¹⁾*
 - *Largest BOP repair and upgrade capability in Middle East*
 - *Region's largest premium threading capabilities*
 - *Iraq offers strong growth opportunities*
 - *Well established platform capable of supporting more product*

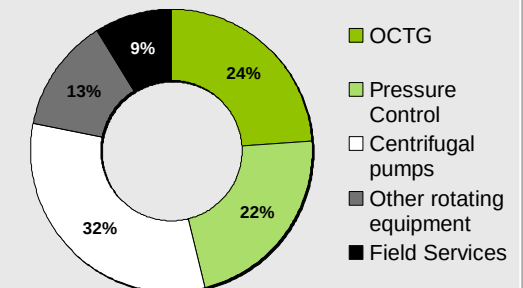
- North Sea market leader
 - *Strong market share in asset management of rotating equipment*
 - *Value added designs to improve competitiveness*
 - *Limited market growth, sustainable leadership position*

- Growing position in North America
 - *Two locations: Edmonton and Houston*
 - *Increasing linkage with SPM as a tier 2 supplier*
 - *Collaboration with SPM and other Group companies provide substantial growth opportunities*

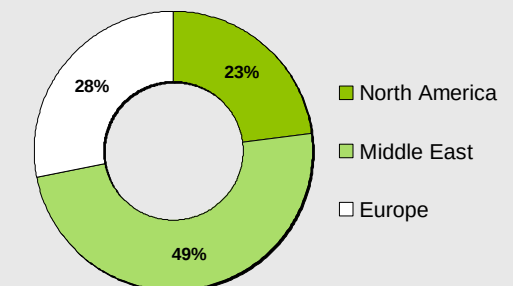
2010 output by sector (2)



2010 output by category (2)



2010 output by region (2)



Iraq and closer links with SPM providing real growth opportunities

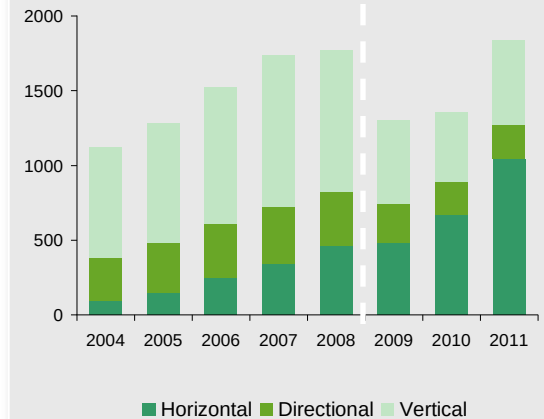


Paradigm shift in pressure pumping

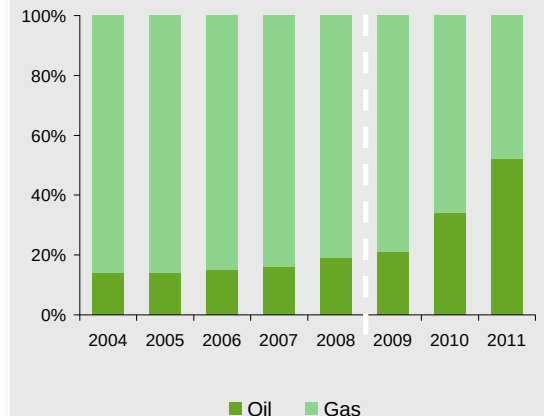
- 2004-2008: emergence of shale gas
 - *Hydraulic fracturing & horizontal drilling combined*
 - *shale gas economical*
 - *2007/2008: rush to exploit high gas price*
 - *2008/2009: recession & fall in gas price hits activity*
 - *Gas rigs account for c.80% of US rig count*
- 2009-2011: emergence of oil and liquids rich shale
 - *Economic recovery – horizontal rigs nearly doubled in 2 years*
 - *Multistage fracturing, fracture mapping etc – shale oil economical*
 - *Horizontal drilling accounts for >50% of US rig count*
 - *Oil rigs >50% of rig count in May, first time in nearly 20 years*
 - *Oil rigs nearly doubled in 2-years*
 - *Raises floor of pressure pumping market and reduces volatility*
- Link between oil & gas price broken in US
 - *Oil typically longer-cycle than gas; gas price more volatile*

US market now driven by both oil & gas demand

US rig count by type



US rig count: oil/gas split



Source: Baker Hughes. 2011 (May)

Oil will continue to drive pressure pumping

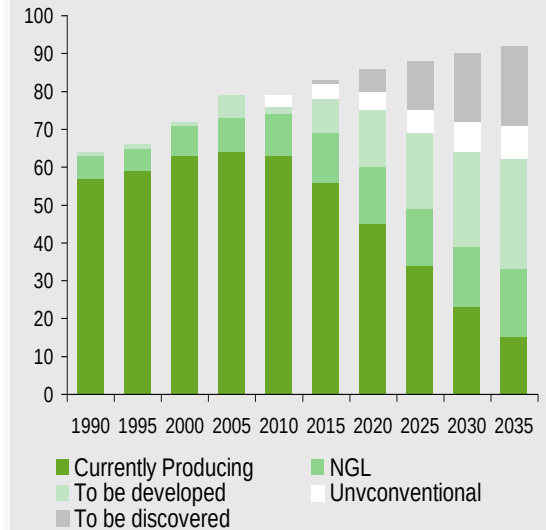
- Oil fundamentals are global
 - *Global market, low spare capacity*
 - *Macro-economic factors driving demand growth*
 - *Days of “easy oil” have gone*
 - *Unconventional filling gap (oil sands, deep sea, shale)*

- USA increasing appetite for self sufficiency
 - *Global uncertainty influencing energy policy*
 - *Oil shale currently attractive >\$80/b*
 - *Vast potential in US shale fields*
 - *Oil shale production expected to grow materially*
 - *2010 production will be trebled by 2013*

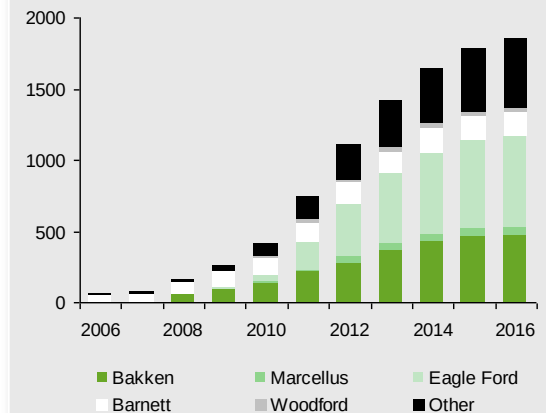
- Increasing fracking intensity driving significant growth in pressure pumping aftermarket
 - *Increasing stages and increasing horsepower*
 - *Shortened recertification and replacement cycle*

Global oil demand (mbd)

Source: EIA/Baker Hughes



Shale oil production (kbd)



Source: Morgan Stanley

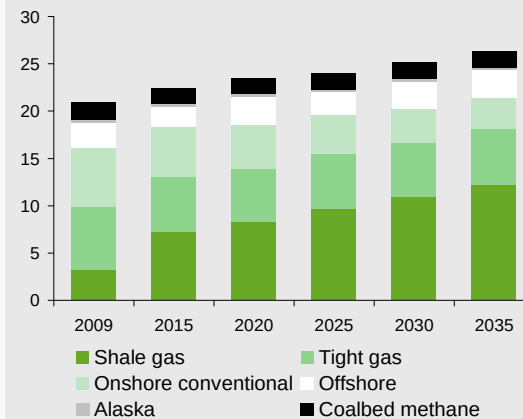
Shale oil forecast to become a key part of the US energy mix



Gas fundamentals remain strong

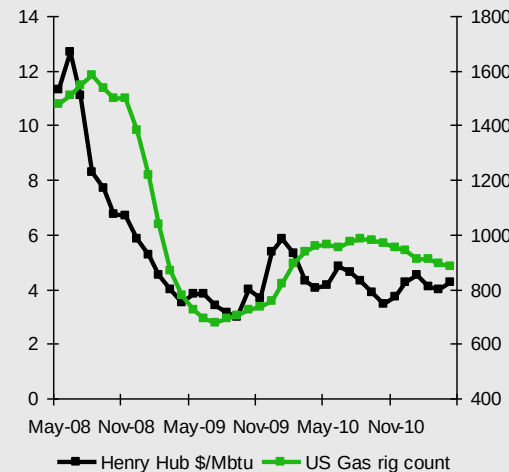
- Gas fundamentals are regional
- Medium term gas fundamentals remain strong
 - *Strong underlying demand*
 - *'Clean' alternative to coal generation*
 - *Globally IEA forecasts gas to overtake coal by 2035*
 - *Shale gas supplies makes US self-sufficient*
 - *Unconventional becoming conventional*
 - *2/3rds US gas production from unconventional sources by 2035 (EIA)*
 - *Longer-term LNG and international development*
 - *IEA forecasts global demand to increase 50% by 2035*
- Slow economic recovery and shale gas supplies have kept gas prices low
 - *Gas rig-count down by 9% in last 12-months*
 - *Switch to superior oil economics*
 - *Many shales still economic at \$4/mmbtu*
 - *Demand recovery and existing well depletion will drive gas prices and drilling*

US natural gas production (tcf ¹)



Source: EIA

US gas rig count vs. gas prices

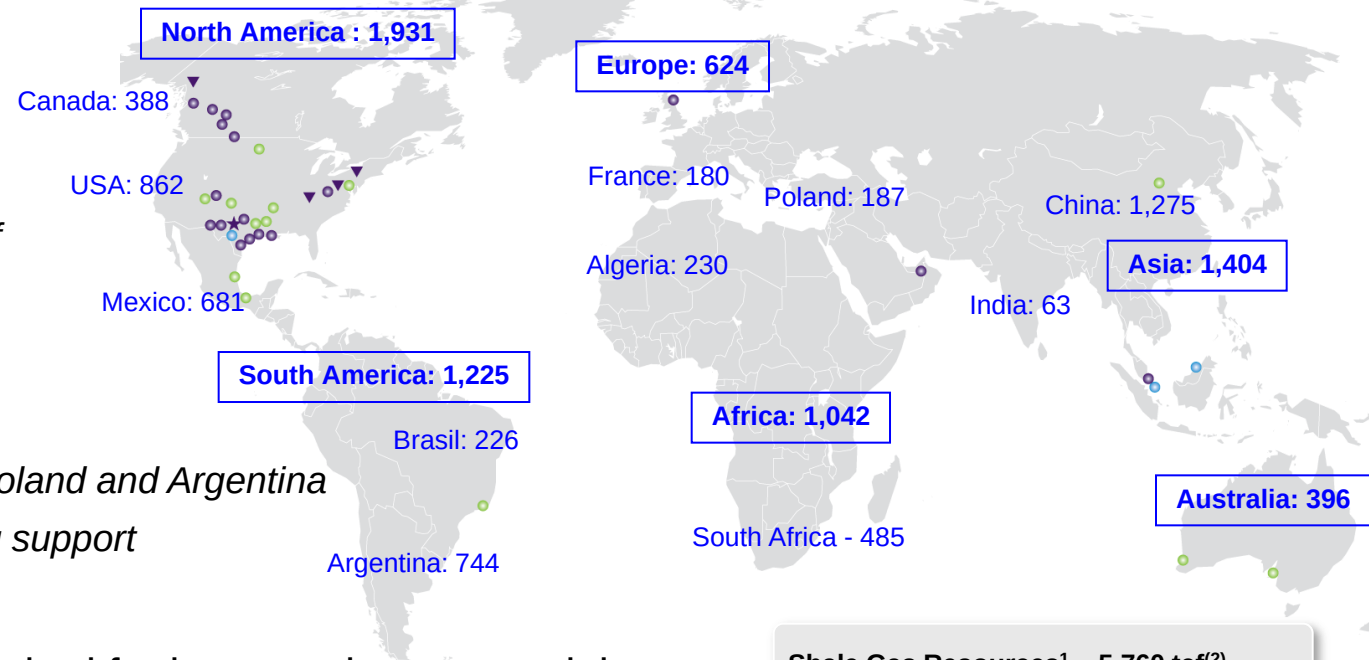


Source: Baker Hughes and EIA

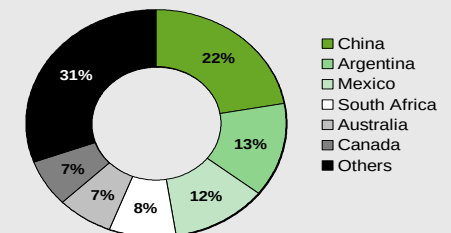
Shale gas changing the face of US gas and power market

Good long-term international shale gas opportunities

- Vast international shale gas resource
 - 6-7 x more than US reserves
 - Shale gas accounts for 25% of global gas resources
- Exploration underway
 - Licences awarded in China, Poland and Argentina
 - Service Companies mobilising support
- Infrastructure and expertise required for large-scale commercial activity
 - 3-5 years before material international market emerges
 - Initially supported from US
- China the leading international prospect
 - More recoverable reserves than US
 - Weir well positioned through Shengli Highland JV



Shale Gas Resources¹ – 5,760 tcf⁽²⁾



Material international market will develop over next 3 - 5 years



1. Technically recoverable resource (tcf) – Source EIA Feb. 2011

2. Excludes tight oil, tight gas and coal bed methane resources

Environmental trends

- Emerging environmental debate around 'new' technique:
 - i. Leakage of frack fluids into the water table
 - ii. Disposal of waste water
- Governmental studies underway
 - UK Energy & Climate Change committee broadly supportive of fracking
 - US Environmental Protection Agency first report due 2012 / final report 2014
 - US Energy Department panel to recommend safety improvements in hydraulic fracturing within 90 days ⁽¹⁾
 - June 2011 IEA "World Energy Outlook" : effective regulation mitigates concerns
- Increased regulation most likely outcome
 - Well casing integrity and disposal of frack fluids
 - Opportunities in disposal of frack fluids and risk management products

Fracking: Environmental backlash grows

theguardian

Methane contamination of water rises near to shale gas sites

FINANCIAL TIMES

Earthquake fears halt shale gas fracking

FT.com
FINANCIAL TIMES

France to ban fracking of fossil fuels

Protests over fracking's environmental impact increase

The Telegraph

Frack and ruin: The rise of hydraulic fracturing

Increased regulation most likely outcome of reviews

WEIR

1. Panel established May 5th 2011, to report to DOE within 90 days of commencing work

Weir Oil & Gas upstream market summary

- US market now driven by oil and gas demand
- Shale oil forecast to become a key part of the US energy mix
- Shale gas changing the face of US gas and power market
- International shale gas market will develop over next 3-5 years
- Increased regulation likely outcome of environmental reviews



Market overview

Richard Spears, Spears & Associates Inc



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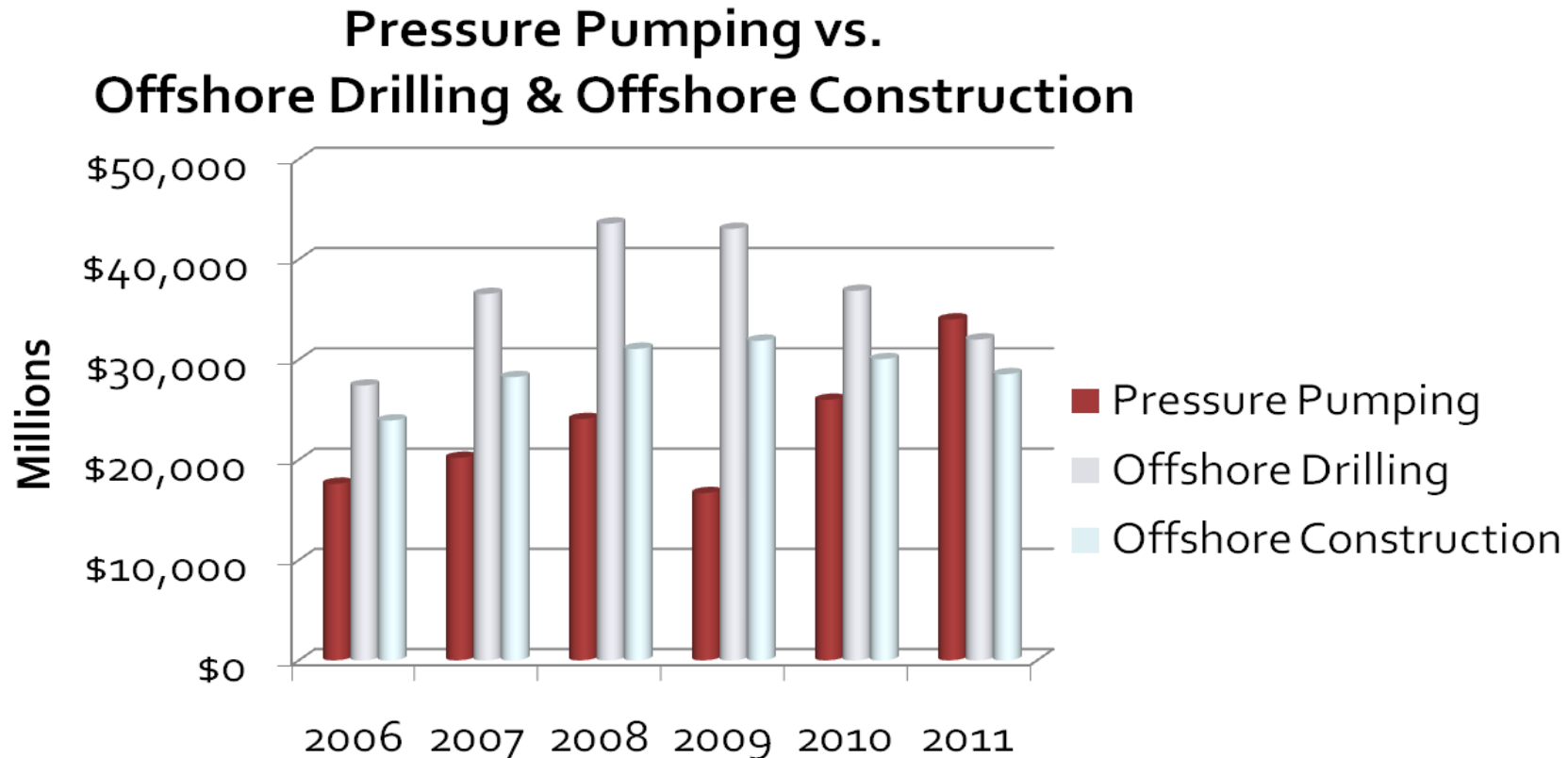


Secular growth in a cyclic industry

Weir Oil & Gas and the pressure pumping market

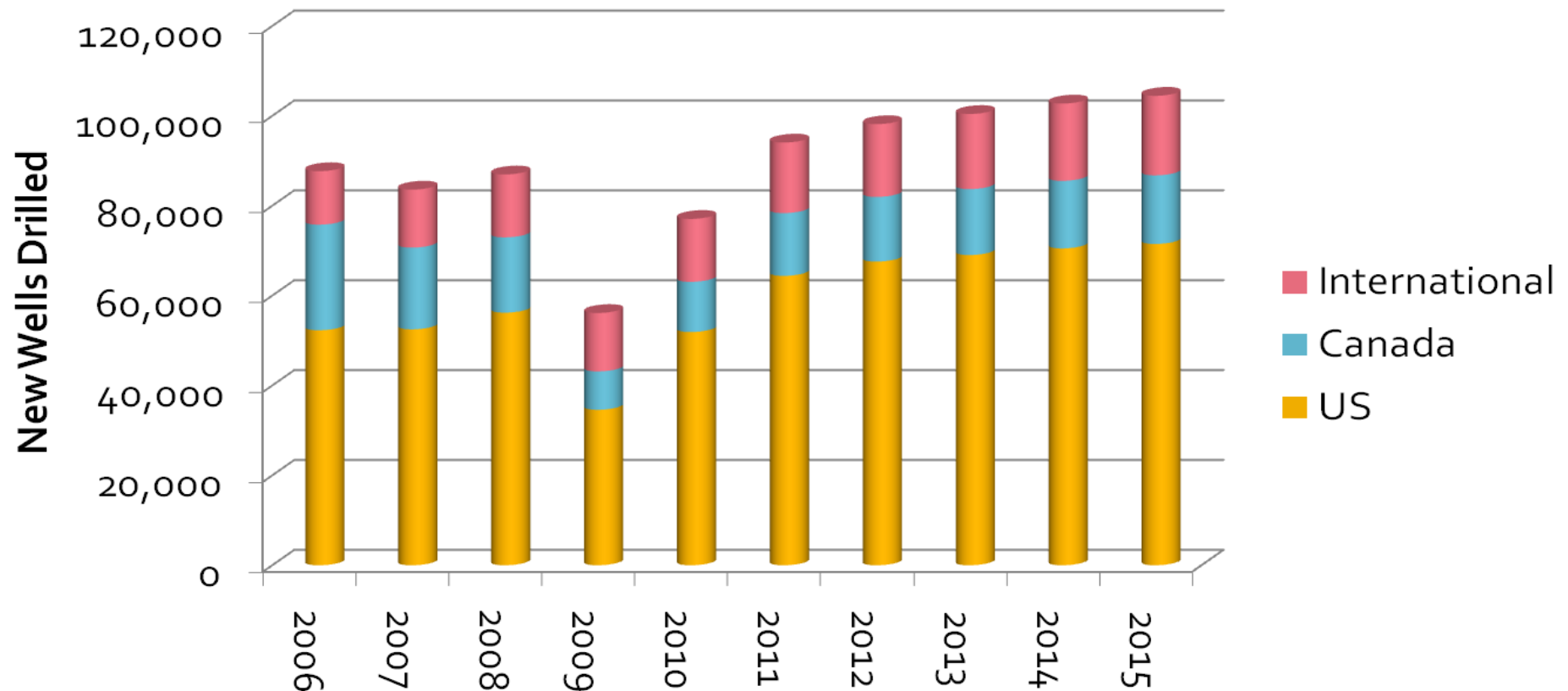
Richard Spears, Managing Director, Spears & Associates (Tulsa/USA)

Pressure pumping will be #1



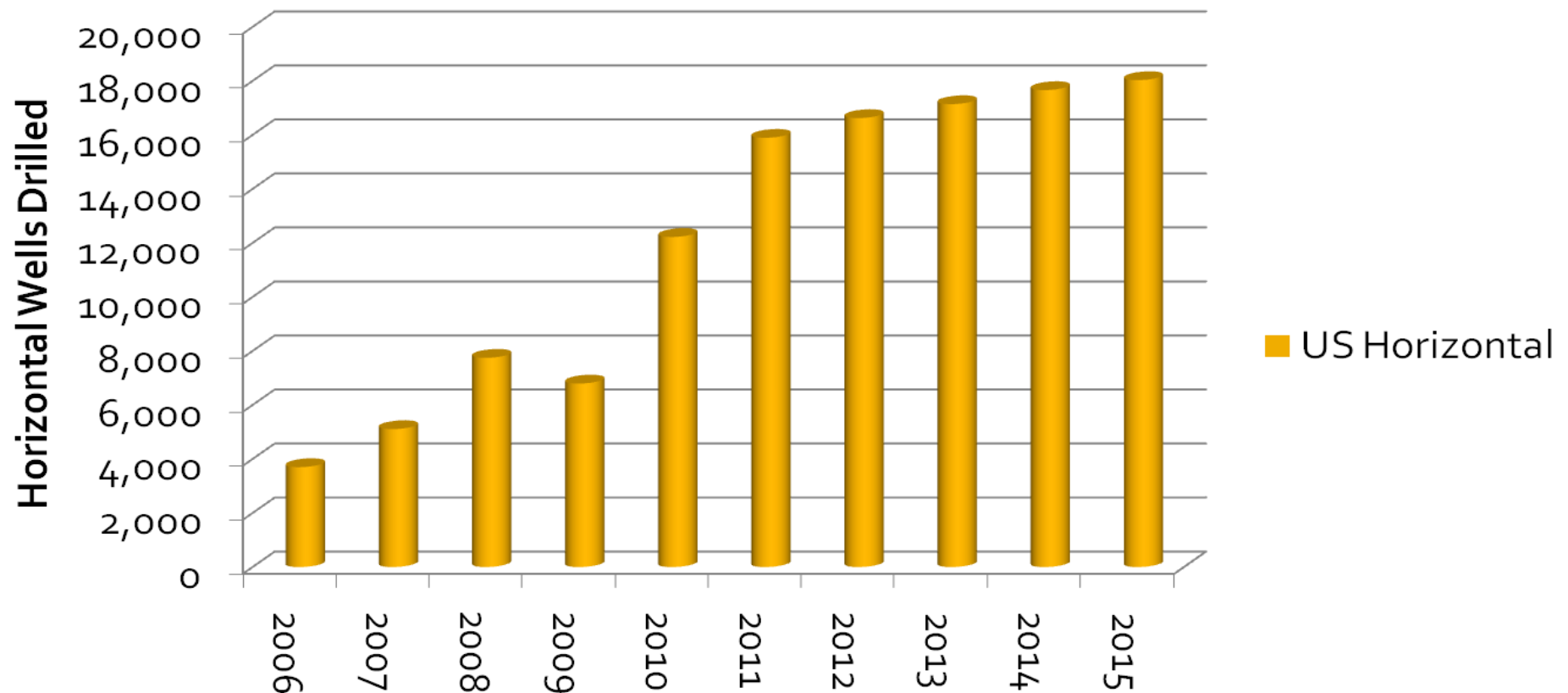
The pressure pumping market is the largest and fastest growing upstream oilfield market in the world.

New drilling drives pumping



~90,000 new wells will be drilled in 2011, rising to 100,000 new wells in 2015. Most of these new wells – 90% - are drilled in the US and Canada on land. All are cemented and most are hydraulically fracture stimulated.

US horizontal drilling is crucial



Of the 90,000 new wells drilled in the world in 2011, 16,000 are horizontal wells drilled on land in the US. These 16,000 new horizontal wells drive most of the demand for hydraulic fracturing services. At \$80 oil and \$4 gas, Spears projects rising drilling.

Hydraulic fracturing became commercial in 1945

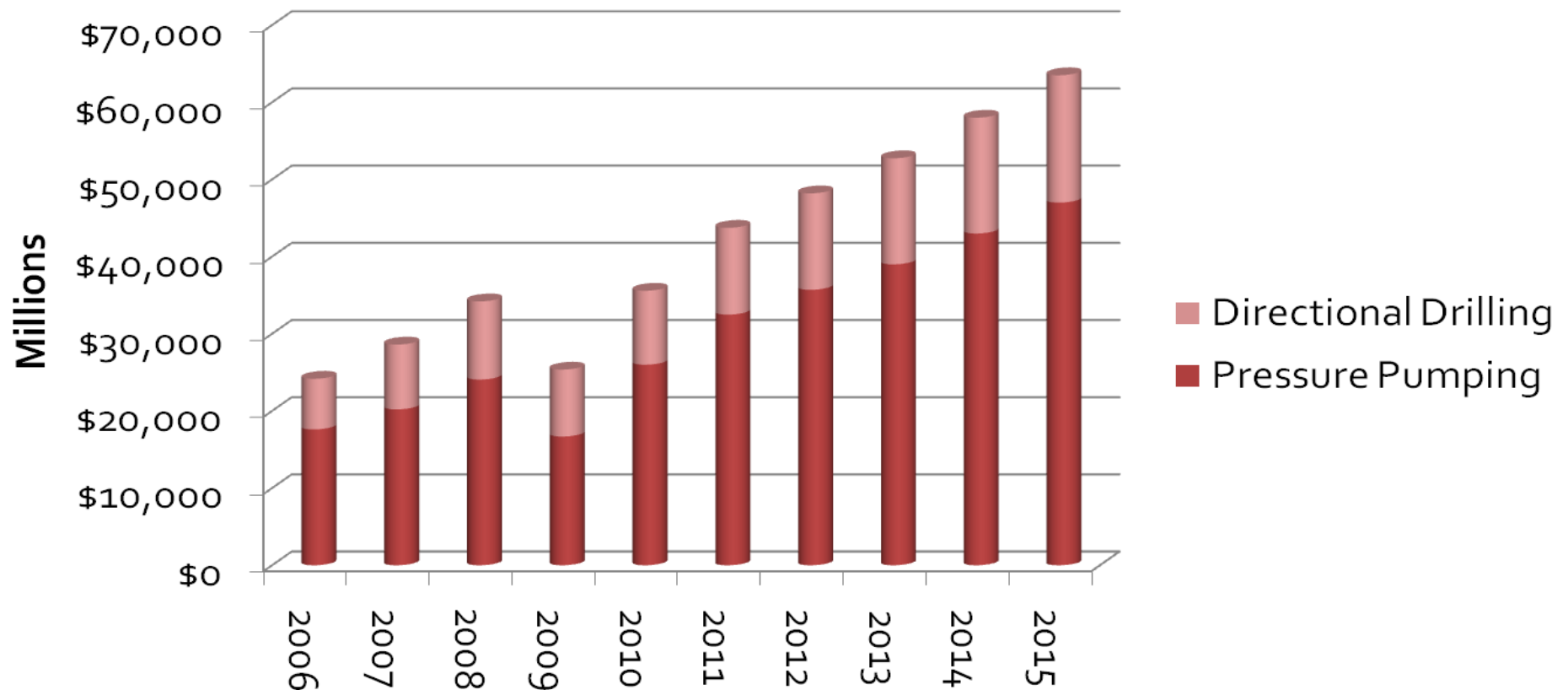
Directional drilling services became commercial in 1980

Directional & fracturing were combined in 2004 to pursue gas shales

Directional & fracturing were combined in 2009 to pursue oil reservoirs

Two old, well-known technologies were finally combined less than 10 years ago. This combination allowed stranded gas deposits to be unlocked. And now we're pursuing oil.

Directional + Pressure Pumping

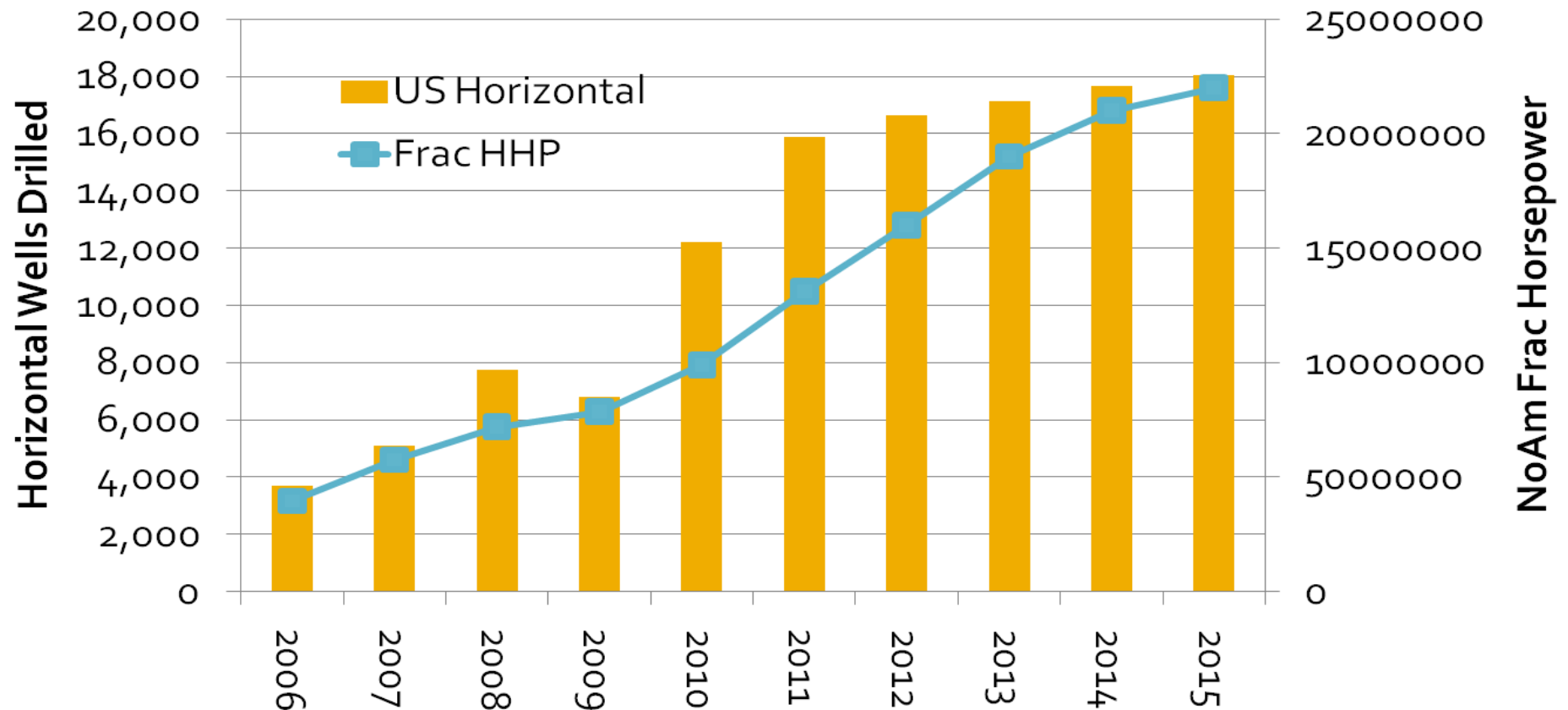


~\$25 billion was spent in 2006 on directional drilling plus pressure pumping.

~\$42 billion will be spent in 2011 on directional and pressure pumping.

~\$62 billion will be spent in 2015 on directional and pressure pumping.

Horizontal drilling drives HHP



From 2006 through 2011, the growth of US horizontal drilling has explained most of the growth in frac horsepower demand in North America. Assuming that the link remains in place into the future, the North America frac fleet should hit 22M in 2015.

1980: 1 million...no replacements

1990: 1 million...no replacements

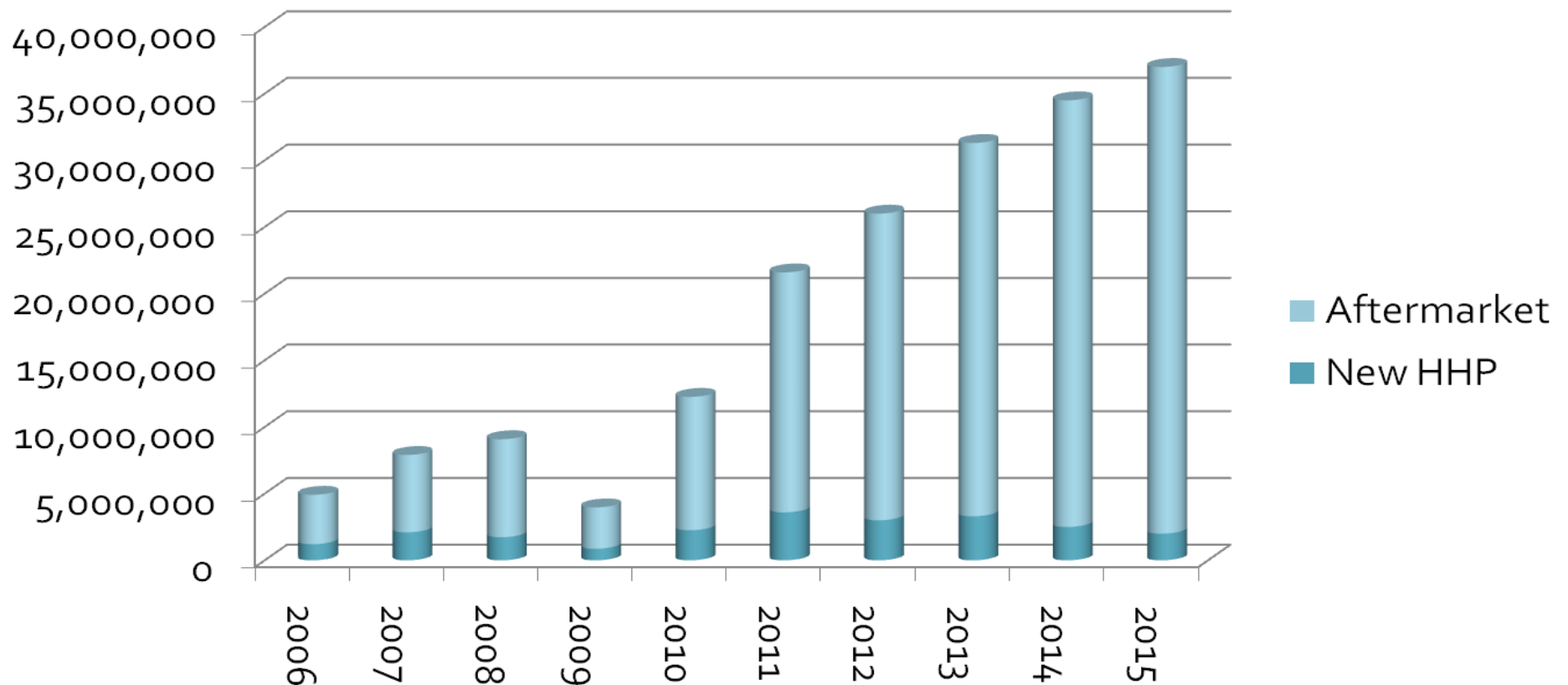
2000: 2 million...no replacements

2010: 10 million...1M replacements

2020: 25 million...5M replacements

For decades, frac horsepower was operated intermittently.
Today, the 10M HHP fleet is driven around the clock.
20% of the fleet's pumps are replaced each year now.

New HHP + Aftermarket HHP



At the same time that record frac HHP new builds are underway, existing pumps are demanding aftermarket fluid ends and complete new replacement pumps at an ever-increasing pace. Aftermarket horsepower dwarfs new build horsepower.

Market Shares

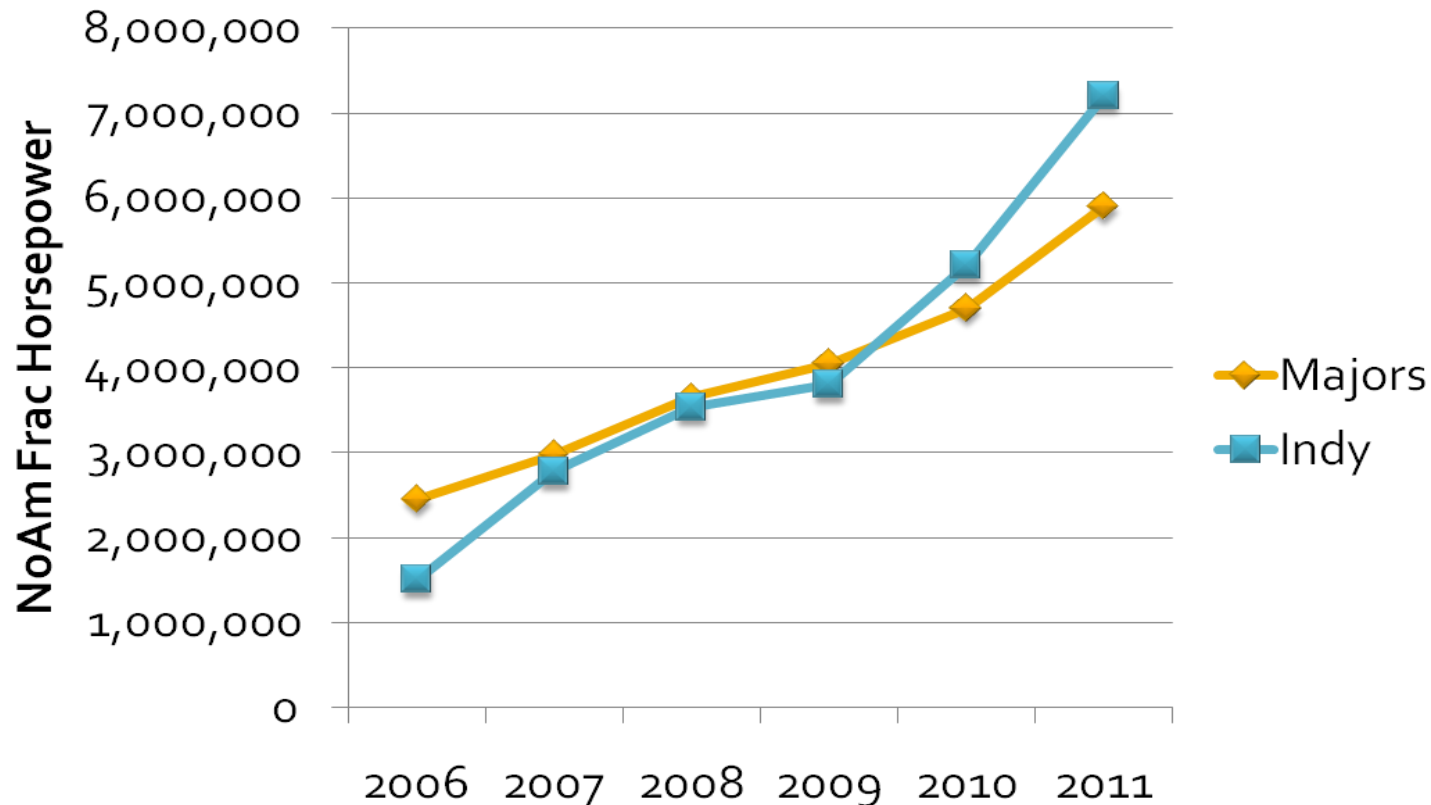
	Weir SPM	FMC	Gardner Denver
Pumps and Fluid Ends	50-60%	5-10%	20-25%
Flow (high pressure iron)	25-30%	50%	-

Source: Spears & Associates estimate

Weir is the clear market leader in pumps and strong number 2 in flow. For combined segments Weir is double the size of FMC.

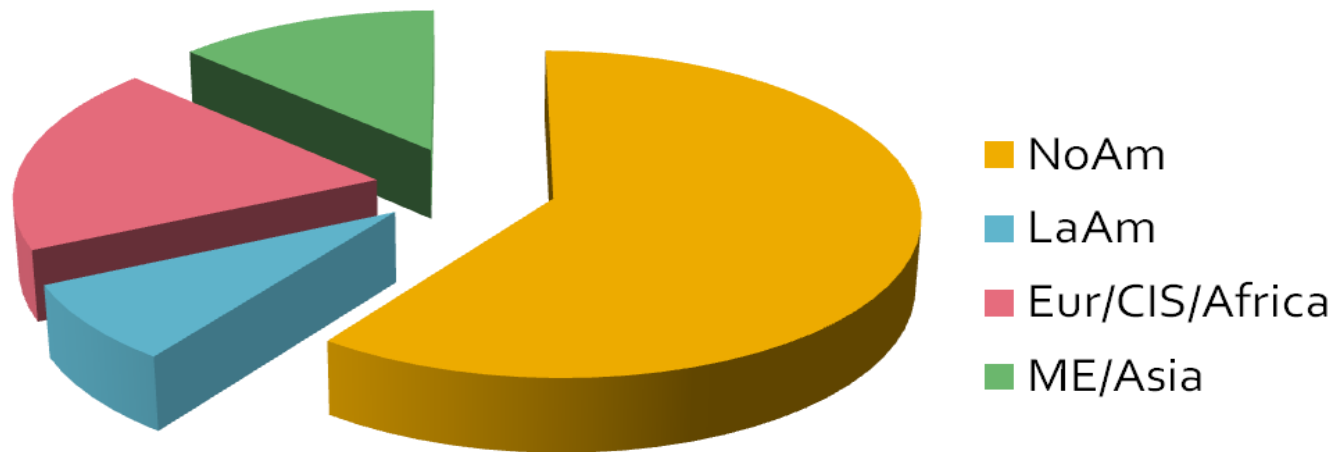
Table is based upon served market space. As such excludes Halliburton and Frac Tech

Weir has a big share of indy frac



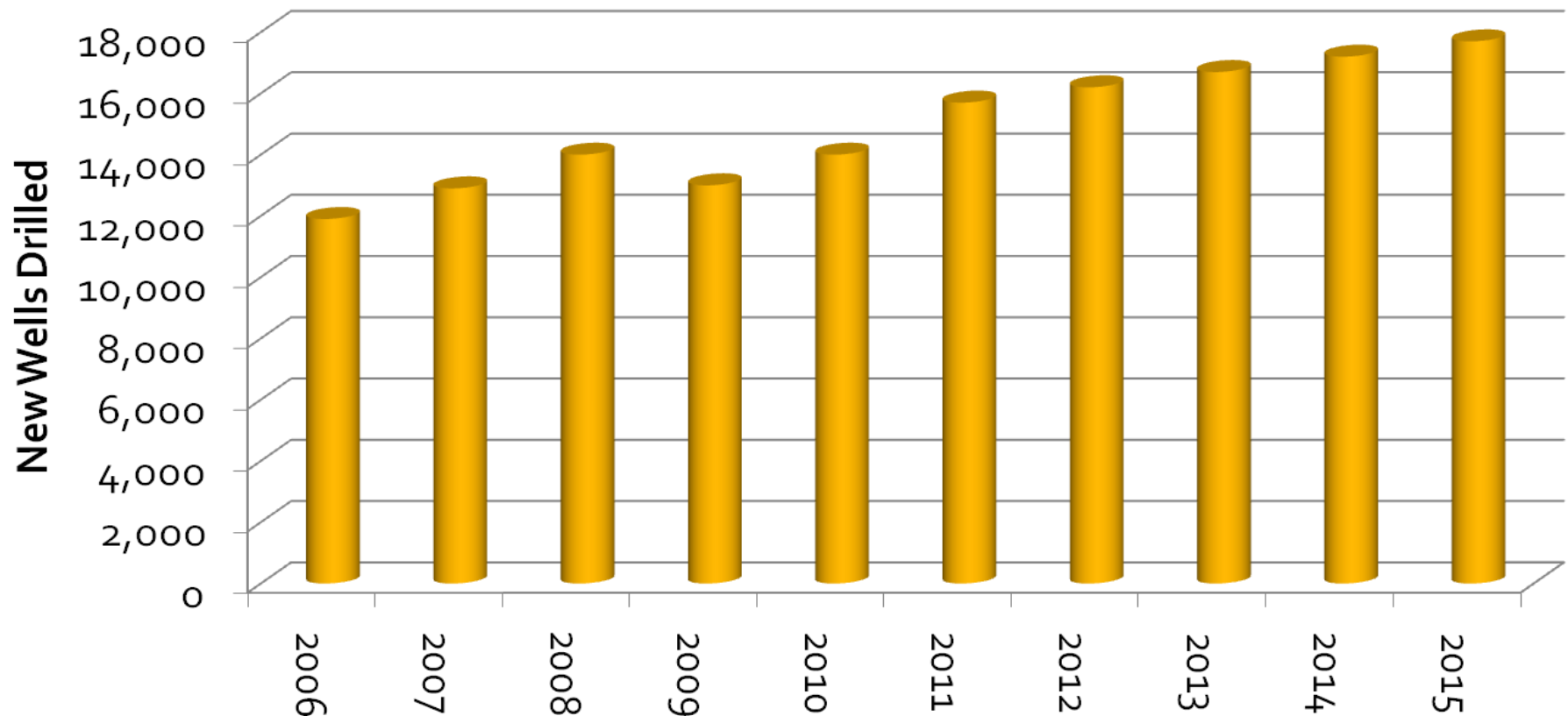
Since 2006, the major frac companies have grown their fleets from 2.5 M to 6M. Meanwhile, indy frac companies have grown their fleets from 1.5 M to 7.1M. Weir does well with the majors, but has a BIG share of the indy frac fleet.

Pressure pumping is global



The \$33 B global pressure pumping services market is concentrated in North America because most wells are drilled there and about 75% of the frac demand is there. Frac is growing in all regions and should double internationally over the next 10 years.

International drilling is growing



Frac demand will grow outside North America, plus new well drilling is growing internationally. These two trends should combine for strong growth in the hydraulic fracturing market outside North America.

Strong growth in horizontal drilling

Strong growth in hydraulic fracturing

High demand for pumps & treating iron

International has just started growing

Weir has the leading market share

Summary: The pressure pumping market is the largest and fastest growing segment of the upstream oil and gas market.

Weir Upstream overview

Gavin Nicol: President Weir SPM



Weir Oil & Gas - Weir SPM, Texas, USA

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The fracking process

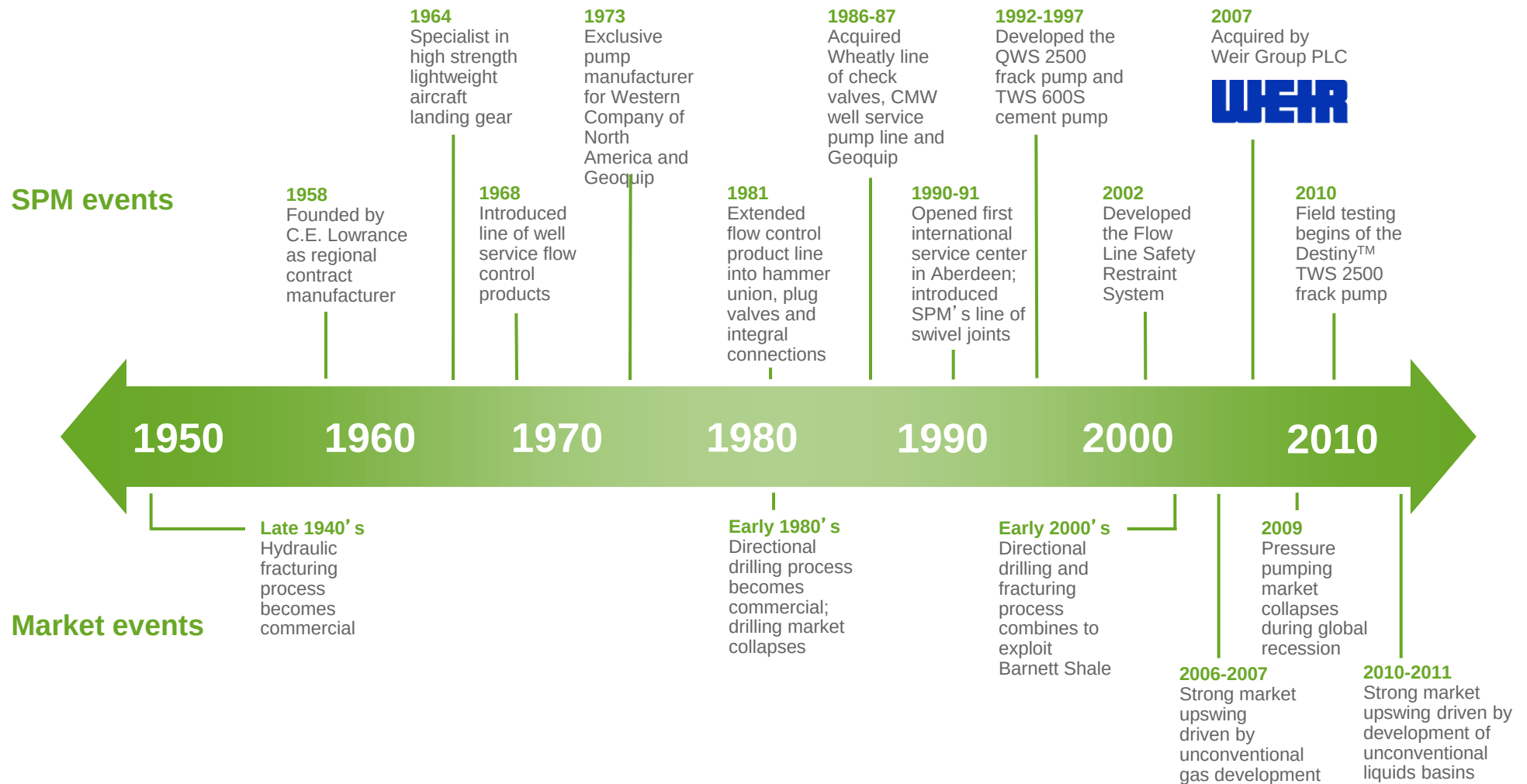
**The video used on this slide is available via
the Webcast Capital Markets Day
presentation link on the Weir Group
homepage: www.weir.co.uk**

Overview of Weir Upstream operations

- Two businesses based in Texas
 - *Weir SPM, Fort Worth*
 - *Weir Mesa, Odessa*
- Market leaders in pressure pumping market
 - *Supply of OEM and aftermarket equipment and services*
 - *Design, production, service support, maintenance offering*
- Key statistics
 - *Over 1,600 employees*
 - *c.2/3 production, 1/3 service*
 - *Two manufacturing plants, dedicated lean philosophy*
 - *Combined 360,000 sq ft*
 - *27 service centres*
 - *16 US, 3 Canada, 8 International*



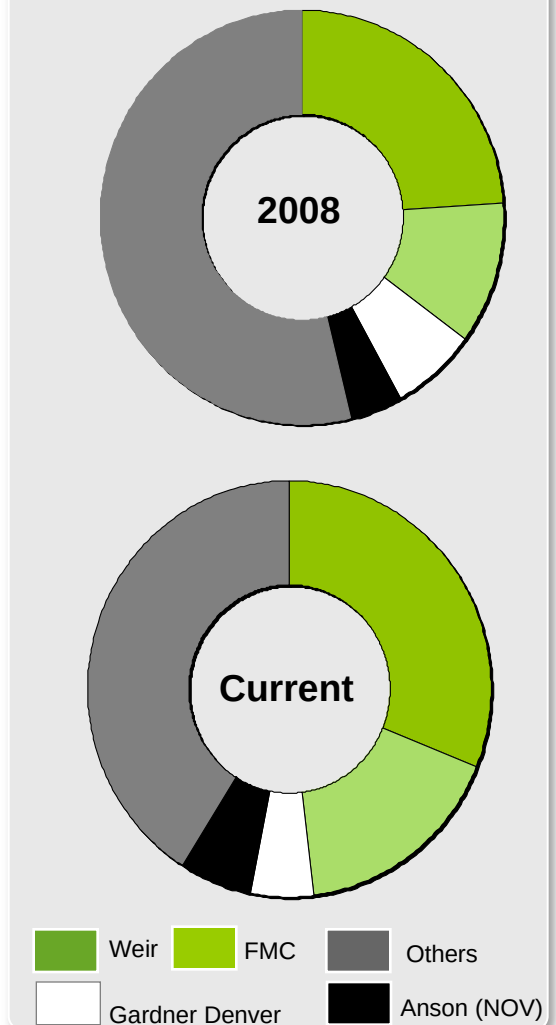
History of SPM



Progress since acquisition

- Revenue: on track to more than treble 2009 revenues
- Market share: increased share by nearly a third since 2008
- Developed market leadership position
- On-track for EBITA payback within 5-6 years

SPM: market share growth



Substantially grown market share since acquisition



How have we achieved this?

- Seamless integration
 - *Consistent execution of acquisition strategy*
- Increased manufacturing capacity
 - *Detailed market understanding led us to expand capacity ahead of demand*
- Development & launch of industry leading new products
 - *Designed for harsher operating conditions and ease of maintenance*
 - *Product development driven by customer risk profile*
- Service centre expansion
 - *Sales and service support near the customer's operating sites*
- Customer Engineering Department created
 - *On customer site support to optimise equipment effectiveness*
- Investment in people
 - *Recruiting top industry talent to address the needs of the market*

Key developments

- **1/3 capacity increase from lean and supply chain initiatives**
- **\$38m capital investment to 2010**
- **Launched new Destiny™ frack pump**
- **Safety restraint system**
- **Service centres increased from 13 to 27**
- **22 dedicated customer engineers**
- **Employees increased by nearly 100%**

Effective execution of market led strategy



Supporting SPM's value proposition

- Operational excellence
 - *Ability to flex capacity is unrivaled in the industry*
 - *Substantial capacity additions in two consecutive years*
 - *Market leading lead times*
- Customer support
 - *Technical and applications engineers on customer operations sites, at their branches and in their offices*
 - *Highest number of applications engineers in the industry*
 - *Customer support available 24/7, 365 days a year*
- Technical innovation
 - *Product development driven by our “Voice of the Customer” process*
 - *26 new chartered engineers recruited over the last two years*
 - *Collaborating with leading academics to solve industry problems*
 - *\$8m R&D spend in 2011*



Leveraging operational excellence and service mindset



Emerging trends & impact on frack pump market

Trend	Affect
Shift from unconventional gas to oil & liquids (conventional & unconventional)	Unconventional oil formations often utilise more stages per well compared to unconventional dry gas formations
Shorter spud to spud drilling time resulting in more wells drilled per rig	Greater number of wells drilled with fewer rigs compared to previous cycles
Increasing frack stages per well	Increased operating hours placed on equipment
Growth of horizontal rig count	More severe operating environment; greater wear on equipment; increased service requirements
Increasing pressure & flow rate requirements	Increased wear rates on equipment; more frequent maintenance and recertification required
Further development of artificial ceramic proppant	Increased wear rates on equipment; more frequent maintenance and recertification required

Increasing frack horsepower

	Bakken			Marcellus		
	2009	2011	Change	2008	2011	Change
Stages/rig	163	263	+62%	140	194	+39%
HP/spread	12k	17k	+42%	6k	30k	+400%
Equivalent HP/rig	+ 2.3x			+ 5.6x		

Source: Weir estimates ⁽¹⁾

Increasing operating intensity

- Average pump life reduced from 6-7 years to 4-5 years
- Accelerated fluid end replacement rates (averaging 2-3 per year)
- Average utilisation up from 65% in 2009 to over 120% currently
- Customers seeking wear life improvements

Increasing horsepower and operational intensity increasing market demands



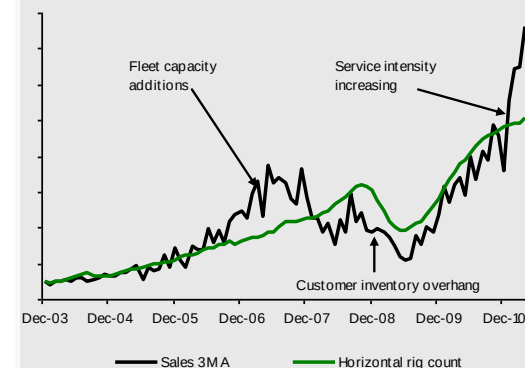
Emerging trends: impact on SPM

- Combination of increasing horsepower and operating intensity producing step-change in market demand
 - Combined service intensity up 3x-5x since 2006
 - Pump lifecycle revenues doubled
 - Aftermarket potential around 4x OE

- Growing aftermarket driving served market growth
 - Aftermarket forecast to grow at 20% pa to 2013
 - Assuming no material changes in wear life
 - Accelerated replacement cycle underpinning OE to 2013
 - Slight decline in 2012 as horsepower build slows
 - Replacements forecast to account for over 50% of OE demand

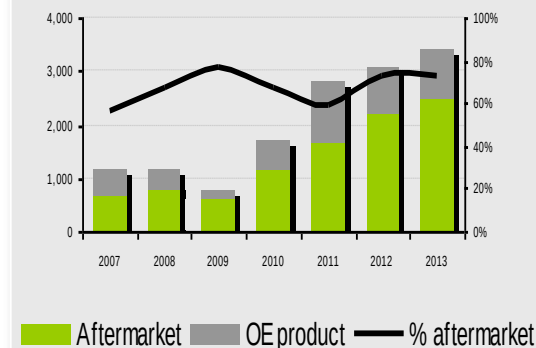
- Industry is adding capacity
 - Nearly 3,000⁽¹⁾ wells awaiting completion as of April

Step-change in rig count relationship



Source: Baker Hughes and Weir

Weir upstream served market



Source: Weir estimates

Leveraging installed base to capture aftermarket opportunities



Aligning SPM to the changing market

Customer needs

- Increasingly technical applications
 - *Innovation and engineering*
- Harsher environments
 - *Higher wear rates*
- Hugely variable operating conditions
 - *Unpredictability of product life*
- Increasingly geographically spread operations
 - *Need to shorten supply lines*
- Higher expectations of technical support
 - *Suppliers required on site*

Capabilities

- High end engineering solutions
- +
- Capacity to fulfill demand and ability to invest capex
- +
- Responsive, with the shortest lead times
- +
- Distribution hubs close to customer operations
- +
- Capable applications engineers available at all times

SPM value proposition mirrors our customers needs



Products and markets

Bill Tipton: VP, Oil & Gas Division



Weir Oil & Gas - OTC, Texas, USA, 2011

Excellent
Engineering
Solutions



SPM at the frack site



Flow Line Safety Restraint System



Frack pump



Ground iron (flow control)



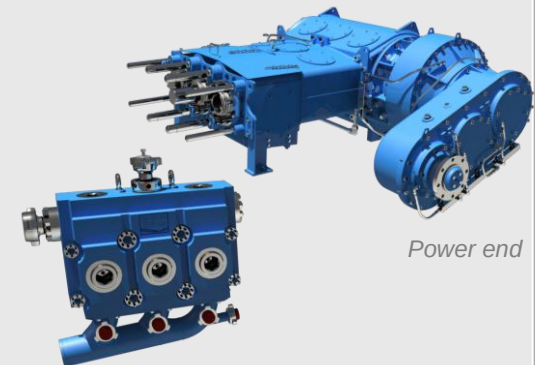
Manifold trailer

Well service & frack pumps

- Applications and markets
 - 600 – 1,000 hp well service pumps used in cementing, acidising and coiled tubing applications
 - Cement pumps used globally
 - 2,250 – 3,500 hp frack pumps used to pump frack fluids at high pressure
 - Majority of frack pumps are used in NA unconventional basins
 - Unconventional operations driving higher service intensities and attrition rates
- Largest installed base of frack pumps globally
 - Provides renewable revenue streams in fluid ends, pump parts and expendables



Destiny™ TWS 2500 frack pump installed on customer pump unit



Fluid end

Power end

Destiny™ TWS 2500 frack pump

No1 cement and frack pressure pump supplier



Flow control & manifold trailers

- Applications & markets
 - *Transports fluid from the pump to the wellhead*
 - *Used globally in a variety of applications including cementing and fracking*
 - *Harsher shale operations driving demand and higher attrition rates*
- 75% aftermarket or replacement related
 - *Requires quick response time and proximity to customer operating bases*
- Growing capital spend on trailers
 - *Manifold trailers tied to incremental frack fleet growth*
 - *Patented Safety Iron®: more durable connection; ideal for trailer application*



SPM Safety Iron® Manifold Trailer



SPM Light Weight Plug Valve

No2 flow control provider, growing share through investment

Safety products

- Severe operations driving demand for safety products
 - *SPM nitrogen relief valves: over-pressure protection during high pressure pumping*
 - *Patented Safety Iron®*
 - *Eliminates dangerous sledgehammers from assembly of flow line*
 - *More resistant to negative affects of flow line vibration*
- Restraint systems mandated by some E&P majors
 - *Patented Flow Line Safety Restraint System (FSR): first engineered restraint system on market*
 - *No 1 market position; strong reputation with operators*
 - *Rental programme and on site service to support customers*



SPM technician on site installing FSR

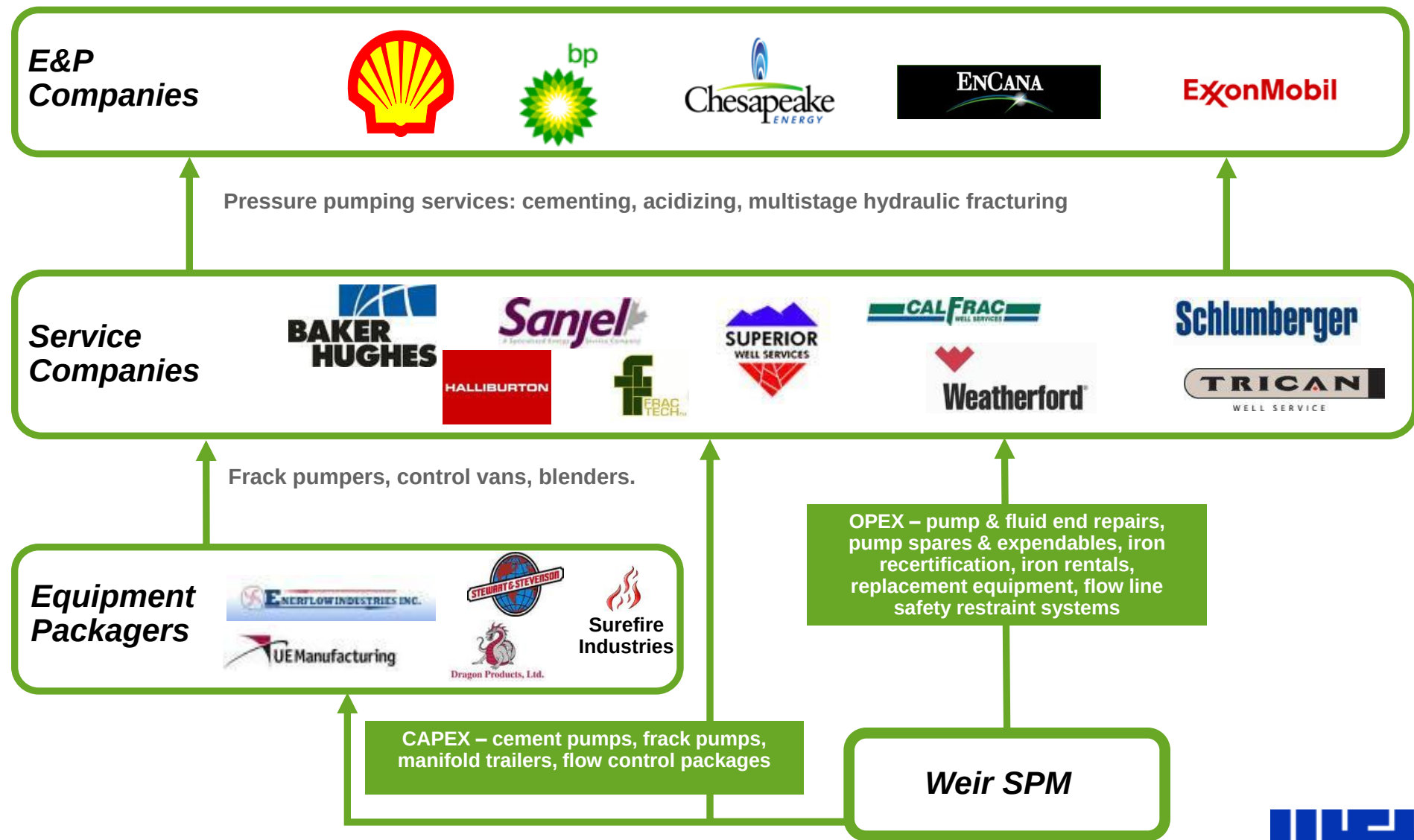


SPM rental trailer

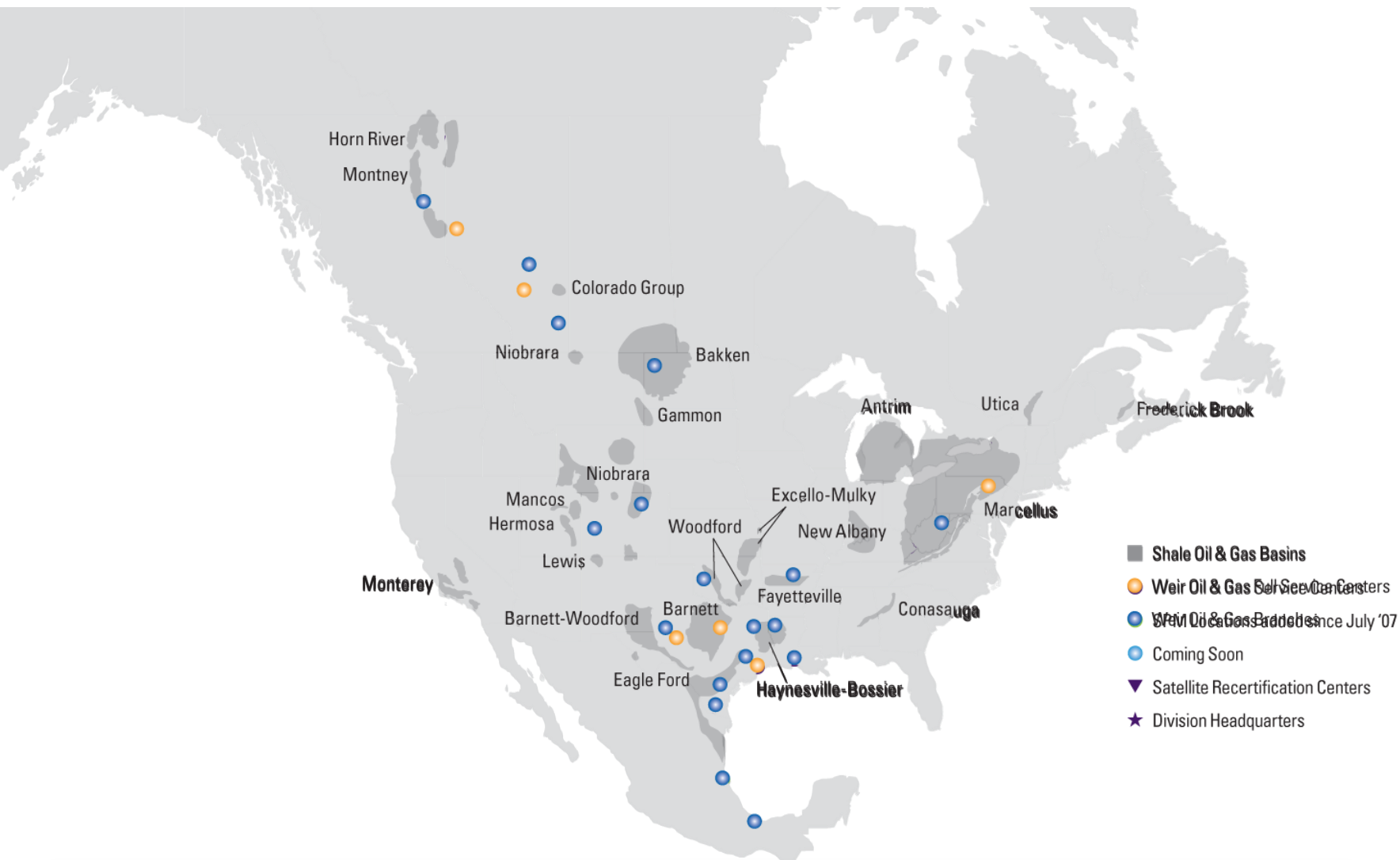
Leader in innovative safety products



Pressure pumping supply chain and customer base



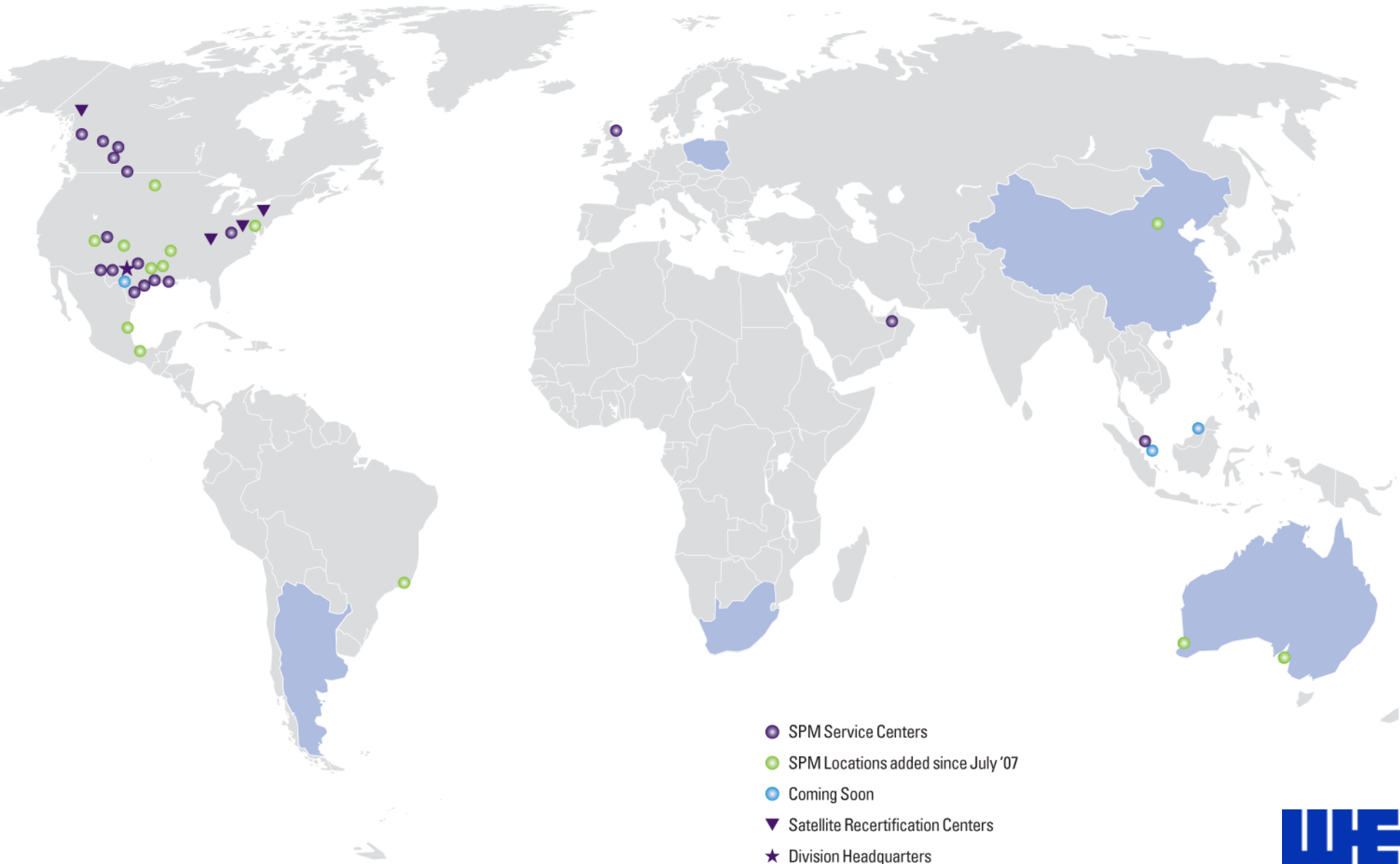
Service position to support opex demand



Strategically located near our customers

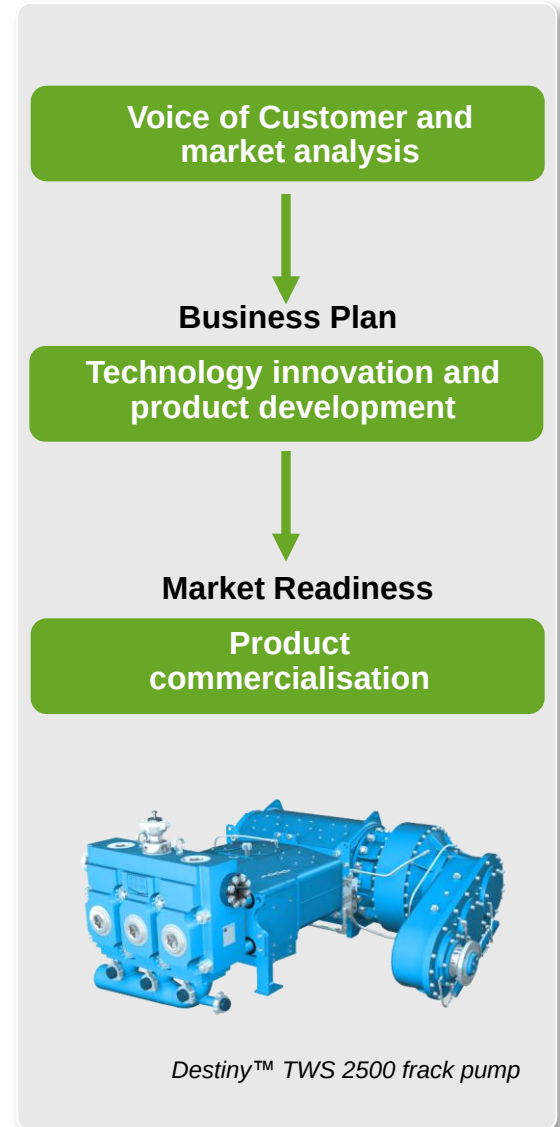


Global footprint



Weir innovation process

- Marketing
 - *Identifies market needs and demands*
 - *Conducts “Voice of Customer” interviews*
 - *Recommends engineering investments*
- Engineering
 - *Develops technology solutions and innovations*
 - *Creates patentable IP*
 - *Designs products and conducts testing; shop and field*
- Marketing
 - *Develops commercialisation plan*
 - *Verifies market readiness*
 - *Launches new product technologies*

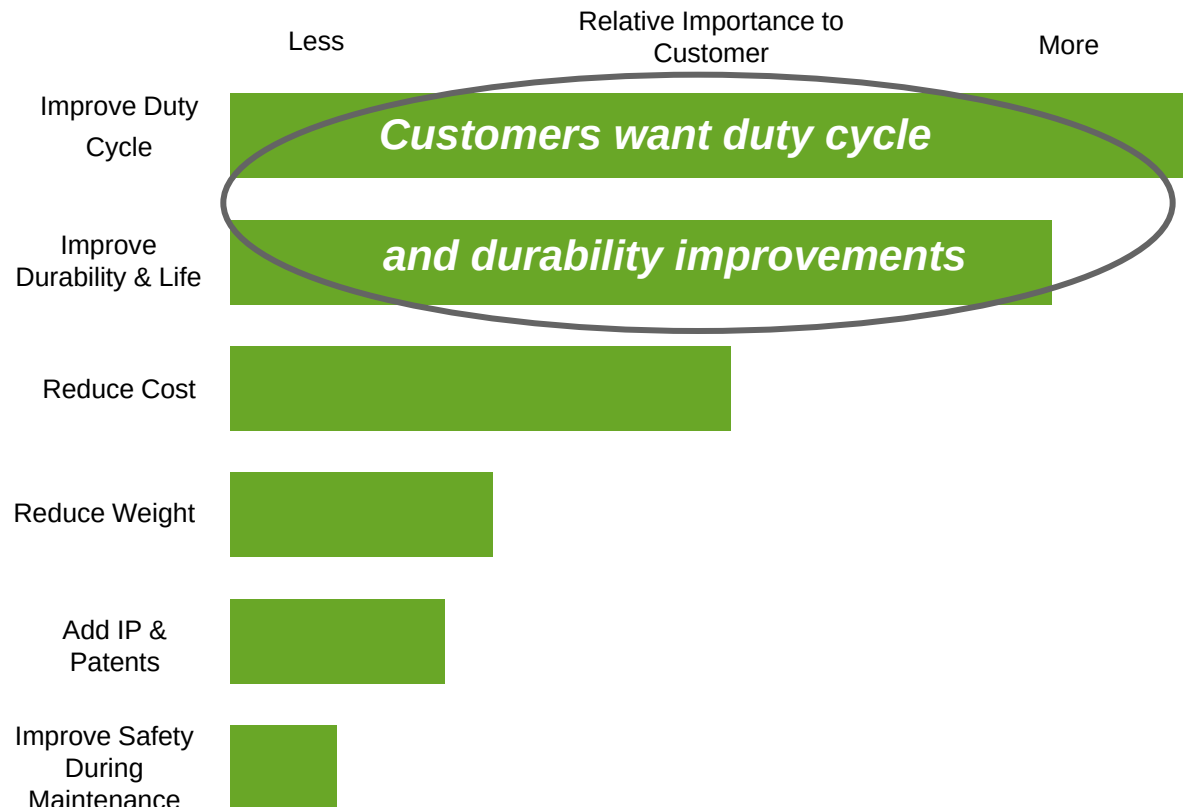


New product innovation starts with the customer

New Destiny™ frack pump

- State-of-the-art design leap frogs competition
 - 30% lower vibration levels verified by 3rd party testing
- Designed for today's harsh shale frack jobs
 - Suitable to operate at full rod load and horsepower
- Improved maintainability
 - Specialist tools not required
- Delivers on “Voice of Customer”
 - Strong customer demand

Voice of Customer Destiny funding choice results



“If you take care of duty cycle & durability, cost will take care of itself” ... Qserve, Cudd and Schlumberger

Sold out through 2011; currently taking orders for 2012



Engineering excellence

Chris Poole: Executive VP, Weir SPM

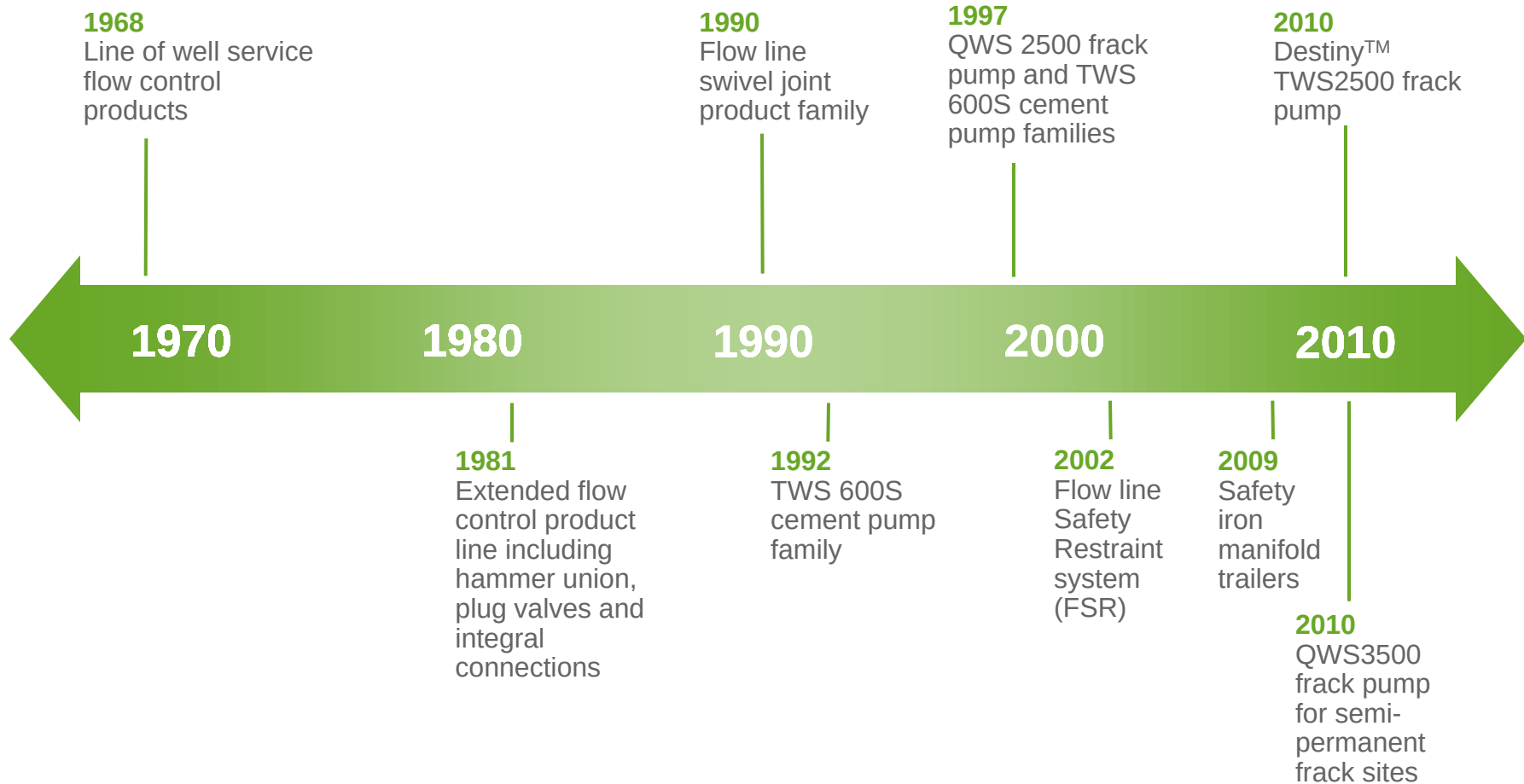


Weir Oil & Gas - Weir SPM, Texas, USA

Excellent
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40 year track record of successful new product introduction

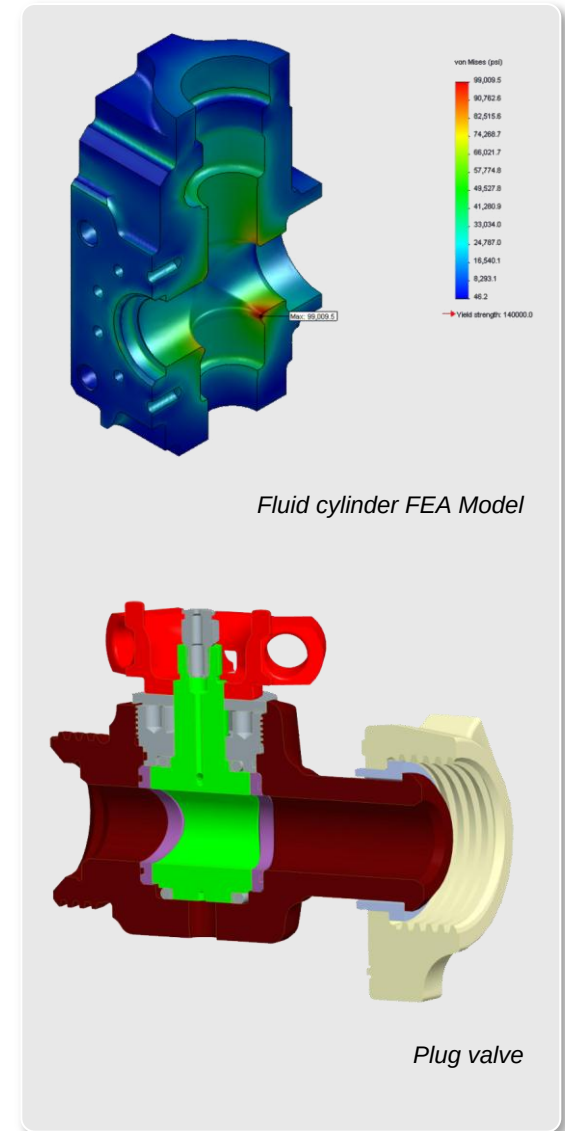


Reputation for innovative products



Market driven innovation

- Recognition of dynamic market changes from 2009
 - *Trend towards unconventional wells*
 - *Multi-stage hydraulic fracturing*
 - *Harsher shales*
 - *Higher pumping pressures*
- Driving a need for a change in product technology
- Weir response; to aggressively drive technology differentiation
- 2009/2010 invested to provide foundations for step-change
 - *More experienced and qualified engineers*
 - *Investment (\$1.5m) in the latest engineering tools*
 - *Adoption of world class engineering processes*
 - *Partnerships with leading academic institutions*



Significant investment to support next generation of products

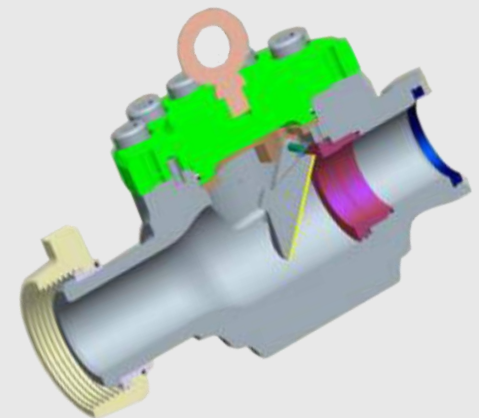


2010 new product introductions

- Launch of the 3500: world's largest continuous duty frack pump
- Introduction of Destiny™ frack pump
- Enhanced range of flow line check valves
- Expansion of the family of flow line safety restraints
- Application of electronic sensors to indicate actuation of safety relief valves



QWS3500 pumps on a 'stimulation' vessel



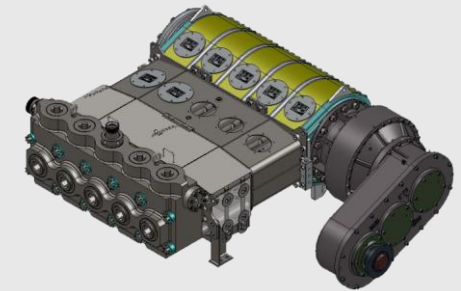
Flow line check valve

Acceleration of innovation in 2010



Future product introductions

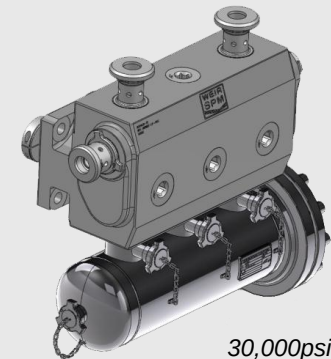
- Targeted launches in next 12 months:
 - *Five cylinder derivative of our Destiny™ frack pump*
 - *Range of fluid ends with enhanced durability*
 - *Innovative range of pump serviceable parts*
 - *Family of flowline products rated to 30,000psi, an industry first*
 - *High technology system for tracking and recertifying flow line equipment*
 - *Range of enhanced safety relief valves*
- Increased collaboration with academic partners
 - *Continuing to extend product differentiation through technology and engineering excellence*



2012 QWS frack pump



30,000psi swivel



30,000psi fluid end

Strong pipeline of planned new product launches



Operational excellence

Richard Hinsley: Executive VP, Weir SPM



Weir Oil & Gas - Weir SPM, Texas, USA

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Delivering our product: pumps



- High pressure components
 - *Forged, not cast raw materials*
- Internal and external supply chain
 - *7 internal Weir Group suppliers*
 - *500 external suppliers*
 - *Lead times up to 6 months*



Delivering our product: flow control



- High pressure components operate up to 15,000 psi
 - *Forged, not cast raw materials*
- Flow output more than doubled since January 2010

Positioning for growth

Raw Materials → Machining and Processing → Assembly → Test

- Manufacturing and supply chain business
- Operational response since January 2010
 - *Monthly output more than doubled*
 - *During 2011 investing \$40m in plant and equipment to expand capacity*
 - *Manpower 675 → 1376*
 - *Undertaken 38,000 hrs in training and development*
- Redesigned into single fulfillment organisation that integrates:
 - *Supply chain*
 - *Manufacturing*
 - *Planning*
 - *Distribution*



Excellence in manufacturing and supply chain underpinning rapid growth

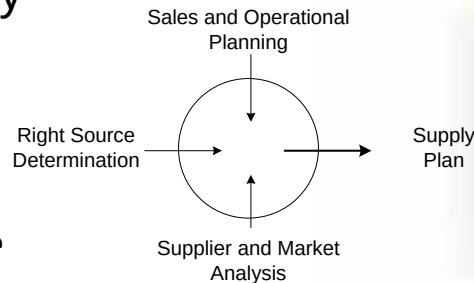


Supply chain growth

- Expanding suppliers and capability

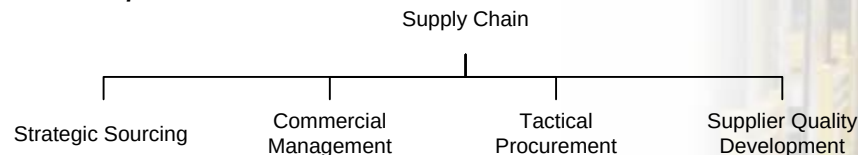
- “Right Sourcing”

- Duplication
 - Domestic and international supply base
 - Building capacity



- Recognising the significance of this function

- 700% increase in staff since acquisition



- Key supplier statistics

- Growth in critical component supply:
 - Fluid end forgings 150%
 - Flow component forgings 200%
 - Machining 200%
 - Pump parts 300%
 - Duplicate sources
 - Increase of 250% in use of internal Weir Group companies



Forming strategic partnerships with our supply chain



Lean journey: pump production

Before



After



Lean journey: flow control

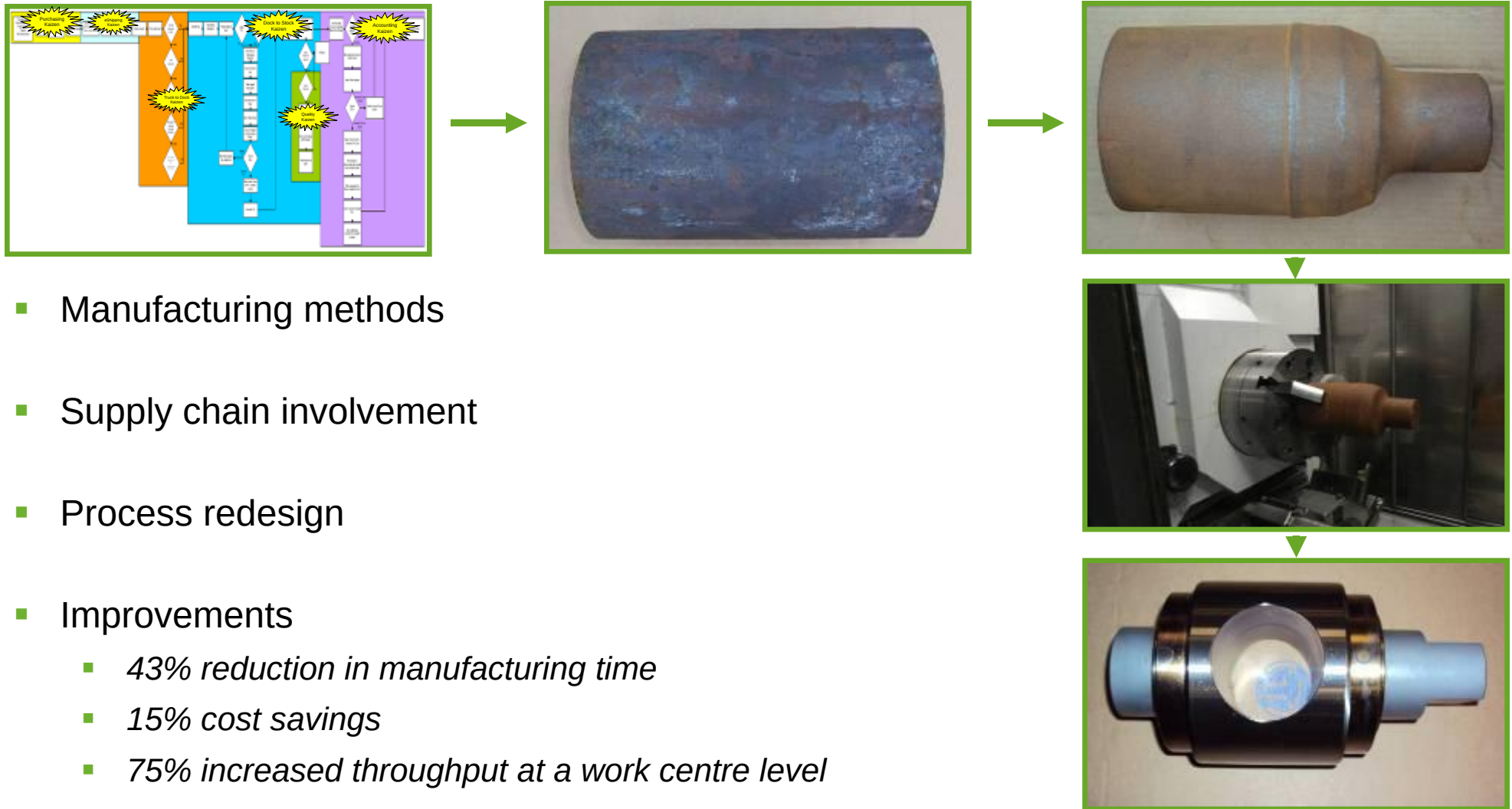
Before



After



Delivering our product: integrated lean in action



Delivering tangible benefits through lean

Capacity investment

- Expansion plans on site at Fort Worth

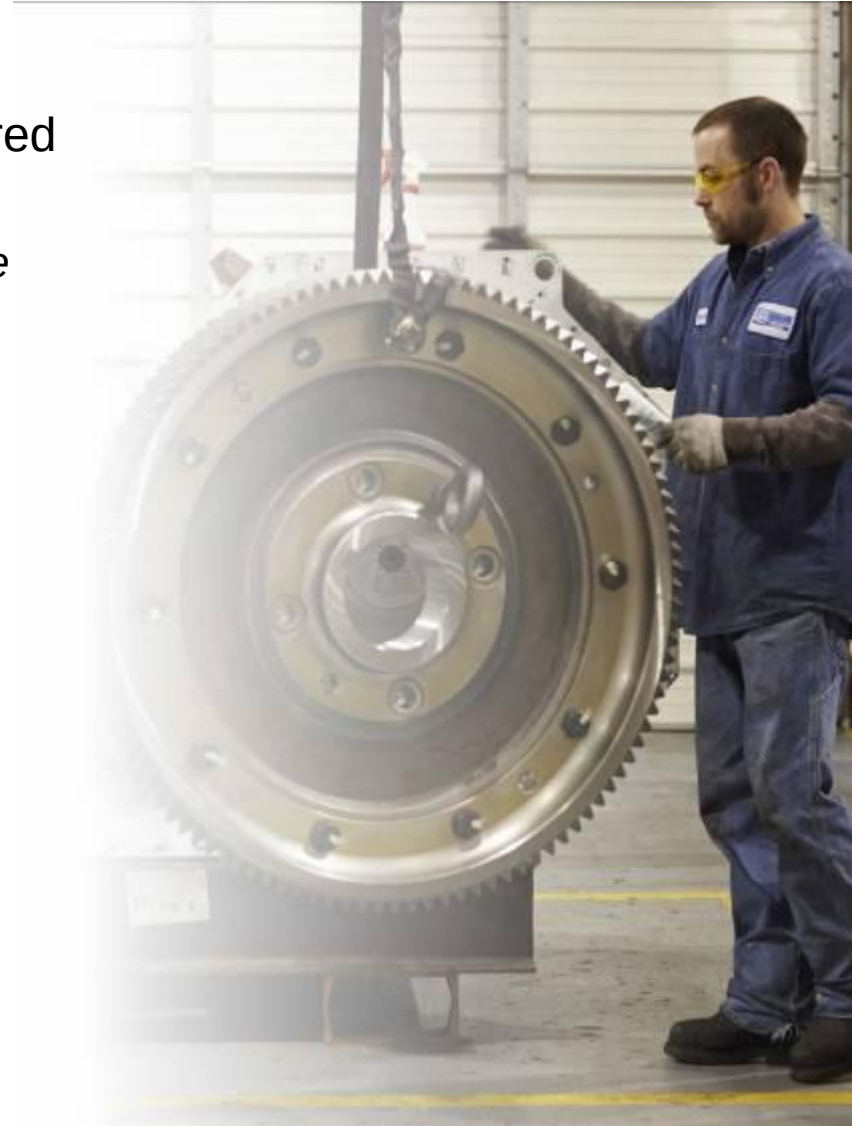


Investing to support our customers



Track record

- Successfully responded to the market and delivered capacity faster than our competition
 - *Adopted and applied Weir operational best practice*
 - *Early investment in capacity*
 - *Recruited and trained staff to achieve this growth*
 - *Supply base development*
- Building capacity for future growth



Committed to being best in class in all our operations



Wrap up

Keith Cochrane: CEO



Weir Oil & Gas - Weir SPM, Texas, USA

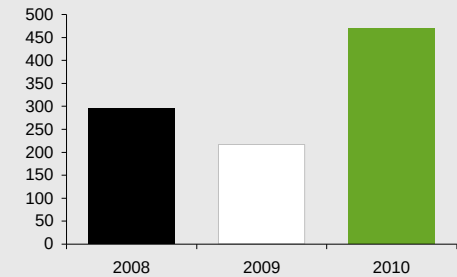
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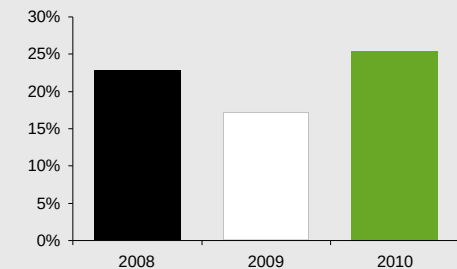
Strong track record of Weir upstream operations

- SPM and Mesa integrated smoothly
- Weir operational excellence skill set improved performance
 - *Expanding capacity*
 - *Maintaining strong margins in downturn*
- Outperforming the market and taking share
 - *Consistent application of customer centric business model*
 - *Market leading flexibility and response times*
 - *High levels of customer support and service*
- Strong returns delivered for Weir
 - *On track for EBITA payback within 5-6 years*

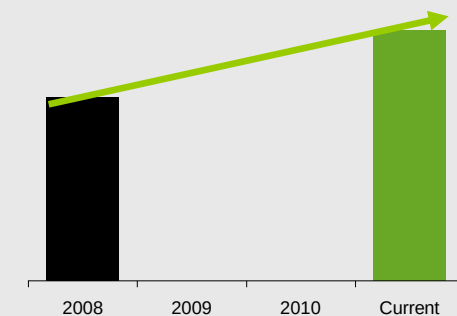
Upstream revenues (US\$m)



Strong margins through the cycle (1)



Estimated market share



Weir has grown share in a fast developing market

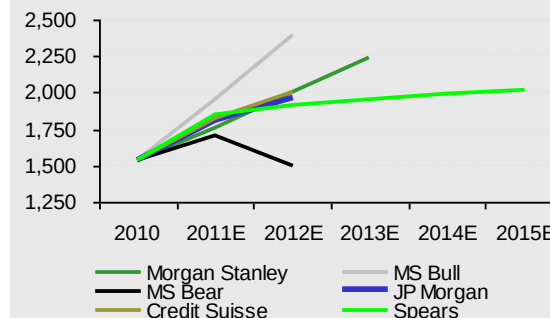


Medium term market outlook

- Analysts predicting further growth in North American rig-count
 - *Strong fundamental medium term demand*
 - *Horizontal rig count forecast to grow faster than market*
 - *Oil fundamentals remaining sound (>\$80)*
- Industry remains cyclical; a number of possible risks
 - *Fracturing technology and wear life*
 - *Environmental regulation*
 - *But oil exposure reduces volatility*
- Potential for upside in medium-long term
 - *US natural gas currently c.\$4/mmbtu vs c.\$6/mmbtu 7 year average*
- Aftermarket driving growth
 - *Growth in frack intensity expected to moderate*
 - *Continued switch to oil*
 - *Aftermarket ramp-up following large horsepower additions*
 - *Accelerated replacement cycle underpinning OE*

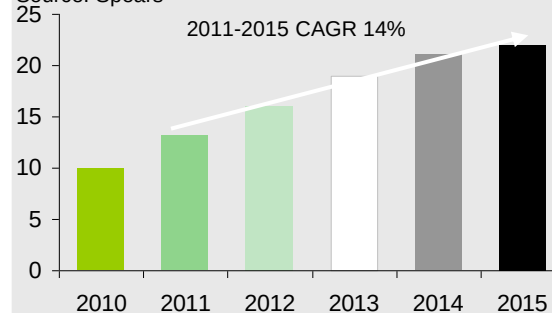
Average US land rig count forecasts

Source: Broker notes



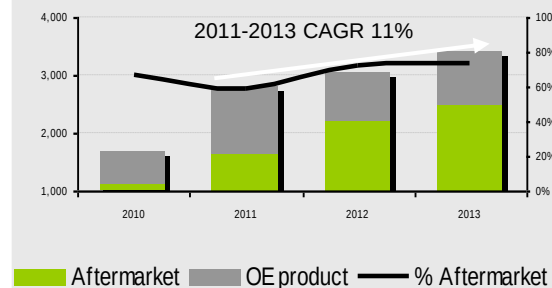
Frack demand (million HHP)

Source: Soebers



Upstream served market value (US\$m)

Source: Weir estimates



Double-digit market growth potential, driven by aftermarket



Weir Upstream positioned for further growth

- Value proposition aligns Weir to a growing market
- Embedded competitive advantage
 - *Expertise required across whole value chain*
 - *Attractive returns available*
 - *Substantial investment in equipment and working capital required*
- Customers operate in extremely onerous and dangerous conditions
 - *Safety, environmental considerations and production costs require partnerships with world class engineers*
- Environmental legislation will become more stringent
 - *Organisations with excellence in engineering and innovation will provide solutions to meet this challenge*
- Harsher applications becoming more prevalent
 - *Excellence in technical development and operations is essential*



Responsive & agile business model aligned to customer needs



Weir Upstream outlook

- Oil & Gas end markets are a major contributor to Weir
 - *2010 input matched minerals end market contribution*
- Positive medium term outlook for Weir Upstream business
 - *Industry forecasting growth in horizontal rig count*
 - *Emergence of oil shale providing second end market driver*
- Strong current market conditions
 - *Underpinned by further horizontal rig count growth in April & May*
 - *2012 OE orders: early discussions underway with customers*
- Capacity expansion plans at SPM
 - *\$40m investment plan to be completed in 2011*
 - *Further expansion being planned*



Market leading equipment supplier to largest & fastest growing oilfield segment



Q&A

Panel



Weir Oil & Gas - Weir SPM, Texas, USA

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Appendix



Weir Oil & Gas - Weir SPM, Texas, USA

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Oil & Gas Division

Business structure

- 12 businesses
- 3 production sites
 - *SPM, Mesa and Gabbioneta*
 - *China JV later part of 2011*
- 33 service centres
 - *UK (Aberdeen) profiled opposite*
 - *North America (Edmonton and Deer Park) profiled opposite*
 - *Middle East (Dubai and Baku) profiled opposite*
 - *Joint Ventures (Abu Dhabi and Saudi Arabia) profiled opposite*
- c.2,800 employees

SPM

- Forth Worth, Texas
- Products: well service pumps, flow control heads
- Markets: Drilling and well completion

Mesa

- Odessa, Texas
- Products: Plungers, frack heads, cement heads, proprietary pump products for BJS
- Markets: NA Drilling and well completion

Gabbioneta

- Milan, Italy
- Products: API 610 centrifugal pumps (horizontal & vertical pumps)
- Markets: EMEA refining and petrochemical

China JV

- Dongying, China
- Products: cement pumps, frack pumps, pump parts and expendables
- Markets: China drilling and well completion

NA Services

- Edmonton, Canada
- Services: centrifugal pump repair, fluid end repair, field services, large mechanical equipment repairs, APS
- Markets: Well comp. pipeline, oil sands

UK Services

- Aberdeen, Scotland
- Services: centrifugal pump repair, asset mgmt services, rotating equip health care, APS
- Markets: Offshore oil production

Mid East Services

- Dubai & Baku
- Services: BOP repairs & certification, rotating equipment repair, tubulars & premium threading, APS
- Markets: Drilling, production, power desal

Joint Ventures

- Abu Dhabi & Saudi Arabia
- Services: BOP repair & certification, rotating equipment repair, premium threading, APS, O&M contracts
- Markets: Drilling, prod. power desal



Attendees: Group

KEITH COCHRANE
Chief Executive



Appointed Chief Executive in November 2009, having been Finance Director since 2006. A qualified accountant, Keith joined Stagecoach Group in 1993, becoming Chief Executive in 2000. He joined Scottish Power plc in 2003 where he became director of group finance.

JON STANTON
Finance Director



Joined the Board in April 2010 from Ernst & Young London where he led the audit of several FTSE100 companies. Jon was with Ernst & Young since 1988, becoming a partner in 2001 after extensive international experience including two-years in Detroit.

VICKY FERRIER
Group Head of IR & Communications



Joined Weir from SABMiller's IR function in January 2011. Prior to that she was in the finance function at Procter & Gamble, where she spent around half of her 9 years, in M&A. Vicky is a Chartered Accountant, with a degree in English Literature from the University of Aberdeen.

ANDREW NEILSON
Head of Strategy



Graduate engineer & qualified accountant with background in strategy, mergers & acquisitions. Investment banker with HSBC before joining Scottish Power as Corporate Strategy Manager. Prior to joining Weir in February 2010 he managed private equity investments for HBOS.

HELEN WALKER
Group PR Manager



Joined Weir in 2001 from a similar role with Royal Doulton plc. Helen has been responsible for corporate communications, and her previous experience includes journalism and public relations both in-house & in consultancy. Helen will retire later this year.

JONATHAN MILNE
Communications Manager



Jonathan joined Weir Group at the end of May from the Institute of Chartered Accountants of Scotland, where he was Director of Communications. He previously worked at the BBC as a television news editor and producer of current affairs programmes

Attendees: Oil & Gas Division

STEVE NOON
Divisional Managing
Director



Appointed to the Board in November 2009, An MBA and CPA, Steve has worked with several multi-nationals including Schefenacker Vision Systems, James Hardie Industries, and The Toro Company. Before joining Weir in 2007, he held the position of president Schefenacker Vision Systems, NA.

GAVIN NICOL
SPM President



A graduate of St. Andrews and Strathclyde Universities, Gavin joined Weir in 2005 and he was MD of the Weir Pumps business prior to its sale in 2007. Gavin has worked for a number of multinationals including Terex, PWC and Coats Viyella. He will assume the role of Director, Operations Support & Development based in Glasgow in July 2011.

PAUL COPPINGER
Incoming SPM
President



Paul has spent 27 years in the oil and gas industry with several multi-national companies, the last 10 years as President of the Energy Group at Circor International, Inc. He holds a BS in Petroleum Engineering from Texas Tech University and serves on the Executive Committee of the Petroleum Equipment Suppliers Association

BILL TIPTON
Divisional VP:
Business
Development



Graduate Mechanical Engineer with more than 25 years in the energy and oil & gas industries. He has held senior positions in sales, marketing and oil & gas industry business development prior to joining Weir Group in early 2006.

CHRIS POOLE
Executive VP:
Engineering



Chris leads SPM's product engineering team in Forth Worth, Texas. He joined Weir in 2007 after previously working in the automotive industry in the UK and Detroit. He is a qualified Engineer with an MBA from Cranfield.

RICHARD HINSLEY
Executive VP:
Order Fulfilment



Joined Weir SPM in November 2010, having been Director, Logistics and Supply Chain with Weir Minerals Australia, since 2005. Richard previously held several CIO and senior IT roles within the mining, manufacturing, distribution and forestry business of North Limited and joined Weir with the acquisition of Warman International in 1999.

Attendees: Oil & Gas Division

BILL CURRIE

**Divisional Finance
Director**



A Chartered Accountant who has spent his entire career of over 30 years with the Weir Group. Previously ran the finance function for the Group's interests in water and defence, becoming Divisional Finance Director for Oil & Gas in April 2008.

RAY GILBERT

VP Sales/Service



Ray's experience spans over twenty years with SPM. During this time he has been responsible for every aspect of the business; including Manufacturing, Finance, Sales and Marketing. He was appointed to his current position as Vice President Sales/ Service in 2007

RONNIE PHELPS

Sales Director



Joined Weir SPM as Sales Director in April 2010, Ronnie has over 35 years experience in the oil and gas industry. He ran his own business for fifteen years, engaged in the manufacturing and sales of pressure pumping equipment. He also worked for The Western Company of North America for 20 years where he held positions in manufacturing, distribution, and international sales.

IAN DUNDEE

**Regional Managing
Director**



Appointed Regional Managing Director in 2009 Ian is responsible for Weir's North American Oil & Gas service network and has extensive operational management experience. Ian has a Bachelor of Science Degree and is a certified Project Management Professional (PMP). His tenure with Weir spans over 20 years.

KEITH PEACH

**Regional Managing
Director**



Chartered Mechanical Engineer with 30 years service in Weir. Assumed position of Regional Managing Director, UK for Oil & Gas in 2008. Effective July 2011, Keith will assume the position of Executive Vice President of Engineering at Weir SPM.

Attendees: Spears & Associates

RICHARD SPEARS**Vice President**

Since joining the firm in 1985, Richard has become one of the Managing Directors of Spears & Associates, a global oilfield market research firm. Richard is on the boards of Universal Pegasus International, Varel International Energy Services, Federal and Allied Wireline. Richard began his career as a Drilling and Completions Engineer for Halliburton.