

# Morning Meeting Note

21 November 2007

**jmfinn**  
Capital Markets

<b>Code</b>	HMS
<b>Share Price</b>	96.5p
<b>Market Cap</b>	£38.6m
<b>Shares in Issue</b>	40.0m
<b>Next Results</b>	March 08 (Ints)

## Institutional Contacts

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## Hallin Marine\*

**Hallin has announced a significant order with Swiss based Allseas Group. This order follows a recent spate of positive contract awards and reinforces our positive view of the group's prospects over the next few years and also illustrates the strength of the underlying level of demand in the oil and gas sector.**

- ▶ **A record order.** The Allseas order has a value of over \$20m (£9.75m) where Hallin will supply 5 of its Remotely Operated Vehicles (ROV's) at varying times from 3 vessels. Hallin will supply 2 quantum construction class ROVs and 3 smaller Quasar work class units. The work is scheduled over a 6 month period in the Bay of Bengal, India. The contract is based over the Dhirubhai 1 and 3 fields, as part of Allseas contract with Reliance Industries.
- ▶ **Forecasts:** Following the expansion of the ROV fleet over the last year, this contract helps to fill capacity already available. As such it helps confirm our positive view. We are not altering our forecasts.
- ▶ **Valuation:** The shares have been strong performers, even in these difficult markets. Over the last year the shares have appreciated by 79%, on the back of strong trading news and new contracts. Despite this appreciation the shares still look very cheap, especially compared with its oil and gas service company peers. The shares trade on 11.5x to 2007e and 10.4x to 2008e. Our price target remains 125p and we reiterate our positive stance.

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*The recommendation system used for this research is as follows. We expect the indicated target price relative to the FT All Share Index to be achieved within 12 months of the date of this publication. A 'Hold' indicates expected performance relative to this index of +/-10%, a 'Buy' indicates expected outperformance >10% and a 'Sell' indicates expected underperformance of >10%.*

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