



COMPANY ANNOUNCEMENT

MEDSERV P.L.C.
(THE “COMPANY”)

Interim Report

Date of Announcement	22 May 2019
Reference	187/2019
Listing Rule	LR 5.16

QUOTE

Financial Summary

	Qtr 1 2019	Qtr 1 2018	Year 2019F	Year 2018A
	€ Million	€ Million	€ Million	€ Million
Turnover	12.5	8.3	64.2	36.2
- Integrated Logistics Support Services (ILSS)	9.0	4.9	48.7	21.5
- Oil Country Tubular Goods (OCTG)	3.4	3.3	15.0	14.2
- Photovoltaic Farm	0.1	0.1	0.5	0.5
EBITDA	3.6	1.4	14.1	7.3
EBITDA margin in %	28.8%	16.9%	22.0%	20.2%

Turnover for the first quarter of 2019 is 51% higher than that achieved in the first quarter of year 2018, resulting in EBITDA improving by 157% over same period last year.

Trading Update

The positive trend of increased market activity in the oil and gas industry is expected to continue in 2019 with several large projects within Medserv’s core competencies to be awarded to the market during the year. All of the Company’s subsidiaries which are spread across four continents have a potential to increase earnings as a result of discoveries or new contract awards.



The Malta business unit continues to support the offshore Libya Bahr Essalam Phase Two project. Despite the conflict in Libya, all client operations have continued without any disruption, using Medserv's base in Malta as the shore base for these operations. The Company has also secured various engineering work engagements from the oil majors operating in Libya.

During the first quarter of year 2019, the Company supported ExxonMobil's drilling campaign resulting in a significant gas discovery in Cyprus. The discoveries by ExxonMobil and ENI have led to an increase in exploration drilling campaigns offshore Cyprus which are scheduled to commence in the last quarter of the year. These positive developments have triggered additional exploration campaigns offshore Lebanon for which the Company has been invited to participate.

Medserv's earnings in Egypt have registered an improvement as the Company is using its own acquired equipment in servicing its client. In addition, the Company has been contracted to carry out additional services in the coming months. Medserv, being the first international shore base logistical company to operate in Egypt enjoys a first-mover advantage. Other International Oil Companies (IOCs) are showing interest to subcontract their shore base logistics to Medserv.

The Company's operations in Suriname have kicked off successfully. The state oil company has commenced its nine-well near-shore drilling program and has already drilled one well. ExxonMobil's successful oil discoveries in neighbouring Guyana have raised optimism of a major discovery in Suriname. The Company is pursuing further growth opportunities in the region as other IOCs plan to drill in this emerging region later this year and in the coming years.

The Group's Oil Country Tubular Goods (OCTG) business in the Middle East region is registering an improvement particularly in Iraq. This business unit continues to recover as the oil and gas industry becomes stronger. Supply Chain Management operations in Duqm, Oman remain the strongest contributor to this operating segment.

As previously reported the Company is still waiting for the state authority's approval for the Uganda project to proceed. An award would provide the Group with another long-term contract with consistent revenues. The Company is also awaiting the adjudication of an award of additional Supply Chain Management contracts in the Middle East in 2019.

Improved market conditions, increased drilling projects and a track record of successful delivery of projects, are key in supporting the Company's growth in earnings.

UNQUOTE

A handwritten signature in blue ink, appearing to read "Laragh Cassar".

Laragh Cassar
Company Secretary