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COMPANY ANNOUNCEMENT

Medserv plc
(the “Company”)

Directors’ Interim Statement

| | |
|----------------------|-------------|
| Date of Announcement | 14 May 2014 |
| Reference | 103/2014 |
| Listing Rule | LR 5.86 |

Quote

The Company has continued to extend its operations and increase its profitability. In particular the Company is providing services to Romania in the form of a mud mixing and supply operation.

As announced, Medserv Operations Limited will be providing logistic supply base services, transportation, and associated services to the Genel Group in relation to the drilling of an exploration well offshore Malta. Operations with regard to the two contracts for the provision of logistic support services by Medserv Operations Limited to two separate international oil companies operating offshore North Africa announced earlier this year are due to commence in the second half of this year. In this respect, substantial amounts of equipment have already arrived and are continuing to arrive at the Malta base.

The Company would have been hard pressed to accommodate the quantities of equipment arriving had it not been for the Company’s decision to secure a further area outside the Malta base as is referred to in the Chairman’s report for 2013. Preparation of the site is in its final stages - the site is however already filling up with oil field equipment. The same applies to the 8,000sqm warehouse on the Malta base, which although not yet fully completed, has started to be used to store material requiring covered storage.

Construction works of the solar farm at the Malta base are well advanced and the solar farm is due to be completed and to provide electricity to the grid from 26 June 2014.

The maintenance contract referred to in the Chairman’s report for 2013 is in the final stages of adjudication.



Preparation of Medserv (Cyprus) Limited's base in Larnaca is proceeding on schedule and in time for the commencement of the provision of operational support services to ENI on 1 June 2014.

It is anticipated that in view of the above projects, the financial results for the current financial year will be skewed towards the second half as the majority of new contracts in hand commence in that period.

Present indications are that drilling will be allowed to recommence offshore Sicily. The Company is watching developments carefully and taking steps to ensure that it is well placed to take advantage of these.

The second tranche of the €20 million bond issue in the sum of €7 million has been successfully issued and trading on the Malta Stock Exchange commenced on 9th May.

Unquote

Signed:

A handwritten signature in black ink, appearing to read "L. de Gabriele", written over a horizontal line.

Louis de Gabriele
Company Secretary