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COMPANY ANNOUNCEMENT

Medserv plc **(the “Company”)**

Directors’ Interim Statement

Date of Announcement	19 November 2013
Reference	88/2013
Listing Rule	LR 5.86

Quote

The Group's overall outlook remains positive. The volume of business has continued to improve and turnover and profits to increase.

The overwhelming success of the bond issue has given the Group the necessary support to provide sufficient funding to enable participation in the opportunities being presented in markets of substantial interest to the Group and to finance planned infrastructure within the Malta base.

The Malta base has continued to support intervention operations offshore Libya in preparation for the significant offshore drilling operations planned to commence in early 2014. Medserv Operations Limited is securing a further 30,000sqm of land to enlarge the yard facility in Malta. This should allow the company to meet the expected increase in business.

The Malta base is already providing services in relation to the recently awarded contract for shore base and logistic support to the drilling operation offshore Malta by Phoenicia Energy Company Limited (GENEL). The drilling campaign which was originally planned to commence in the fourth quarter of this year will now commence in the first quarter of 2014.

An opportunity arose whereby the Group was able to purchase the 45 percent interest in Medserv (Cyprus) Limited held by minority shareholders thus increasing the Group's equity interest to 100 per cent. A 20 percent holding in that company was then sold to Caramondani Bros Public Co Limited, a member of the Caramondani Group of companies. This is a major electrical and mechanical engineering group based in Cyprus.

Medserv (Cyprus) Limited has submitted its first tender for the provision of shore based services to an international oil company. If successful in its tender Medserv (Cyprus) Limited will carry out



operations from its base in Larnaca where it has leased 30,750sqm of open area and 3,000sqm of warehousing. The tender is at the adjudication stage.

The construction works of the solar farm at the Malta base have commenced. All photovoltaic panels have now been delivered and most of the infrastructural materials have been purchased. The project also includes the construction of a 7,500sqm warehouse which will be used to store oil and gas field equipment. Completion date is as planned namely the second quarter of 2014.

The Misurata base remains operational but business continues to be slow. All client contracts remain in place and the main business remains that of storage rental. The Misurata Authority has sanctioned repair works to the warehouse leased to Medserv Misurata Free Zone Company and has provided the company with an adjacent warehouse whilst the repair work is ongoing.

Unquote

Signed:

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

Louis de Gabriele
Company Secretary