

DUAL ISSUE PROSPECTUS

DATED 21 DECEMBER 2015



Prospectus dated 21 December 2015 issued by Medserv p.l.c, a public limited liability company registered under the laws of Malta with registered office situated at Malta Freeport, Port of Marsaxlokk, Birzebbugia, BBG3011, Malta as Issuer of:

2 for 9 Rights Issue of 10,000,000 New Ordinary Shares at €1.50 per New Ordinary Share and as regards the Majority Shareholders' Rights: An Intermediaries Offer and in the event of Lapsed Rights: A Lapsed Rights Offer

ISIN: MT0000310103

and

a total of €30,000,000 Unsecured Bonds 2026 in any one or a combination of:

**5.75% USD UNSECURED BONDS 2026 OF A
NOMINAL VALUE OF \$100 EACH ISSUED AT PAR**

(minimum investment and retention
amount per investor of \$55,000)

ISIN: MT0000311242

**4.5% EURO UNSECURED BONDS 2026 OF A
NOMINAL VALUE OF €100 EACH ISSUED AT PAR**

(minimum investment and retention
amount per investor of €50,000)

ISIN: MT0000311234

Application has been made to the Listing Authority in Malta which is the competent authority for the purposes of the Prospectus Directive for the approval of this Prospectus. Application has also been made to the MSE for the New Ordinary Shares and the Bonds (the "Securities") issued pursuant to this Prospectus to be admitted to trading on the MSE's Regulated Market and to be listed on the Official List of the MSE. Prospective investors ought to consider the provisions of the section entitled 'Risk Factors' before making an investment in the Securities. This Prospectus has been filed with the Listing Authority and will be published in electronic form on the website of the Listing Authority and of the Issuer. A printed form of the Prospectus is also available, free of charge from the registered office of the Issuer.

Anthony S. Diacono

In their own names and as proxies for

Mr Joseph FX Zahra

Mr Joseph Zammit Tabona

Mr Charles Daly

SPONSOR



RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Anthony J. Duncan

LEGAL COUNSEL

**CAMILLERI
CASSAR**
ADVOCATES

MANAGER & REGISTRAR

BOV
Bank of Valletta

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.



DUAL ISSUE PROSPECTUS

DATED 21 DECEMBER 2015

TABLE OF CONTENTS

04

PART A

1.0	Responsibility Statement	06
2.0	Notice	06
3.0	Directory	08
4.0	Definitions	09
5.0	Incorporation by Reference / Documents on Display	13
6.0	Consent	13

PART B

7.0	Summary	14
-----	---------	----

PART C

8.0	Risk Factors	30
8.1	Risks Relating to the Issuer	30
8.2	Risks Relating to the METS Acquisition	33
8.3	Risks Relating to the Securities	34
8.4	Risks Relating to the Shares	35
8.5	Risks Related to the Bonds	36

PART D

9.0	Information about the Issuer	38
9.1	Statutory Auditors	38
9.2	History and Development of the Group	38
9.3	Investments	40
9.4	Organisational Structure	41
9.5	Selected Financial Information	41
9.6	Property, Plant & Equipment	43
9.7	Operating and Financial Review	44
9.8	Capital Resources	51
9.9	Principal Markets & Activities	52
9.10	The METS Acquisition	57
9.11	Trend Information	62

9.12	Board of Directors and Executive Management	63
9.13	Declaration	65
9.14	Conflicts of Interest	66
9.15	Remuneration and Benefits	66
9.16	Board Practices	66
9.17	Compliance with the Code of Good Corporate Governance	68
9.18	Employees	68
9.19	Shareholders Holding in Excess of 5% of the Issuer's Ordinary Shares	68
9.20	Related Party Transactions	69
9.21	Historical Financial Information	70
9.22	Dividend Policy	70
9.23	Legal & Arbitration Proceedings	70
9.24	Significant Change	70
9.25	Additional Information	71
9.26	Memorandum and Articles of Association	72
9.27	Material Contracts	74
9.28	Information on Holdings	76
9.29	Third Party Information	76

PART E

10.0	Essential Information	77
10.1	Working Capital Statement	77
10.2	Capitalisation and Indebtedness	77
11.0	Information on the Dual Issue	79
11.1	Interests of Natural & Legal Persons in Dual Issue	79
11.2	Expected Timetable	79
11.3	Reasons for the Dual Issue and Use of Proceeds	80
11.4	Conditions of Allotment	81
11.5	Expenses of the Dual Issue	81

PART F

12.0	Information Concerning the Shares	82
12.1	General	82
12.2	Applicable Laws	82
12.3	Registration, Denomination, Form and Title	82
12.4	Currency of the New Ordinary Shares	82
12.5	Rights Attached to the New Ordinary Shares	82
12.6	Transferability of New Ordinary Shares	84
12.7	Restrictions & Take-Over Bids	84
12.8	Dilution	84
13.0	Terms and Conditions of the Rights Issue, the Majority Shareholders' Rights Offer and the Lapsed Rights Offer	84
13.1	General	84
13.2	Definitions	85
13.3	Conditions	85
13.4	Right to Revoke the Rights Issue	85
13.5	Notices	85
13.6	Majority Shareholders' Rights Offer	85
13.7	Provisional Allotment Letters ("PAL(s)")	86
13.8	Right to Reject	87
13.9	Announcement of the Acceptance of Rights	87
13.10	Action Required to Subscribe to the Rights Issue	87
13.11	Payment	89
13.12	Company's Acceptance	90
13.13	Procedure in respect of Rights Not Taken Up (Lapsed Rights)	90
13.14	Overseas Shareholders and Excluded Territories	91
13.15	Representations and Warranties of Eligible Shareholders	92
13.16	Times and Dates	93
13.17	Governing Law	93
13.18	Jurisdiction	93

PART G

14.0	Terms and Conditions of the Bonds	94
14.1	Status	94
14.2	Rights attached to the Bonds	94
14.3	Denomination, Issue Price, Currency & Form & Title	94
14.4	Interest	94
14.5	Maturity and Redemption	95
14.6	Yield	95
14.7	Negative Pledge	96
14.8	Payments	97
14.9	Acceleration	97
14.10	Meetings of Bondholders	98
14.11	Further Issues in Tranches, Purchases and Cancellation	98
14.12	Notices	99
14.13	Prescriptive Period	99
14.14	Bonds Held Subject to Usufruct	99
14.15	Listing	99
14.16	Taxation	99
14.17	Transferability	99
14.18	Governing Law and Jurisdiction	100
15.0	Terms and Conditions of the Bond Issue	100
15.1	Conditions	100
15.2	Pricing	100
15.3	Allocation	101
15.4	Admission to Trading	101
15.5	Terms and Conditions of Application in the Event of a Bond Public Offer	101
16.0	Taxation of the Bonds and the Shares	104
16.1	General	104

ANNEXES

Annex I	List of Intermediaries	108
Annex II	Provisional Allotment Letters (PALs) & Instructions Sheet	109
Annex III	Bond Application Form	116
Annex IV	Current and Past Directorships	120

PART A

06

1.0 RESPONSIBILITY STATEMENT

The Board of Directors of the Issuer, with its registered office in Malta, is solely responsible for the information given in this Prospectus.

The Board of Directors hereby declare that, having taken reasonable care to ensure that such is the case, the information contained in this Prospectus, for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

2.0 NOTICE

This Prospectus should be read and construed in conjunction with the Reference Documents. Full information on the Issuer, the Rights and the Securities is only available on the basis of the Prospectus, as supplemented from time to time, together with the Reference Documents.

The Issuer confirms that this Prospectus contains all information with respect to the Issuer, the Rights and the Securities which is material in the context of the Dual Issue; that the information contained herein in respect of the Issuer, the Rights and the Securities is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information, issue any advertisement or make any representation which is not contained or consistent with this Prospectus or any other document entered into in relation to the Dual Issue and, if given or made, such information must not be relied upon as having been authorised by the Issuer.

The contents of the Issuer's website or any website directly or indirectly linked to the issuer's website do not form part of this Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in any of the Dual Issue.

None of the advisors or any person mentioned in this Prospectus, other than the Issuer, is responsible for the information contained in this Prospectus or any supplement thereof, or any Reference Documents, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents. All the advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to this public offer and have no contractual, fiduciary or other obligation towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

Each person receiving this Prospectus acknowledges that such person has not relied on any of the advisers in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own investigation of the Dual Issue. It is the responsibility of any person in possession of this document to inform themselves of and to observe and comply with all applicable laws and regulations of any relevant jurisdiction. Prospective investors must rely on their own legal advisers, accountants and other financial advisers to legal, tax, investment or any other related matters concerning the Dual Issue. The Prospectus, the Provisional Allotment Letters and all Reference Documents should be read in their entirety by investors before deciding whether to exercise any rights to which they may be entitled.

This Prospectus does not constitute, and may not be used for the purposes of an offer, invitation or solicitation to anyone in any jurisdiction a) in which such offer, invitation or solicitation is not authorised or b) in which any person making such offer, invitation or solicitation is not qualified to do so or c) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Prospectus in certain jurisdictions may be restricted and accordingly persons into whose possession it is received are required to inform themselves about, and to observe, such restrictions.

The Rights and the Securities will not be registered under the United States Securities Act of 1933, as amended. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to U.S. persons. Furthermore, in relation to each Member State of the European Economic Area (other than Malta), the Rights and Securities may only be offered, sold or delivered to, subject to certain exceptions and accepted by “qualified investors” (as defined in the Prospectus Directive) or in other circumstances falling within article 3(2) of the Prospectus Directive. In all cases the making of the offer of Rights or Securities in such circumstances shall not require the publication by the Issuer or any other person of a Prospectus pursuant to article 3 of the Prospectus Directive.

**The value of investments can rise or fall and past performance is not necessarily indicative of future performance.
If you need advice with respect to the Rights or Dual Issue you should consult a licensed investment adviser licensed under the Investment Services Act, Cap 370 of the laws of Malta.**

Statements made in this document are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes thereto.

Application has been made to the Listing Authority for the approval of the Prospectus. The Lapsed Rights forming part of the Lapsed Rights Offer will not be admitted to trading on a Regulated Market, however, application will be made to the Malta Stock Exchange for the Shares issued as a result of the exercise of any rights under the Rights Issue and Lapsed Rights Offer and for the Bonds under the Bond Issue to be listed and traded on the regulated market of the Malta Stock Exchange and for dealings to commence thereon once the Securities are authorised as admissible to listing by the Listing Authority.

The Malta Stock Exchange’s regulated market is a Regulated Market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on Markets in Financial Instruments Amending Council Directives 85/611/ EEC and 93/6/ EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

This prospectus can only be used for the purposes for which it has been published.

3.0 DIRECTORY

Name and Registered Office of Issuer	Medserv p.l.c. C 28847 Malta Freeport, Port of Marsaxlokk, Birzebbugia, BBG 3011, Malta
Board of Directors of Issuer	Anthony S. Diacono Anthony J. Duncan Joseph F.X. Zahra Joseph Zammit Tabona Charles Daly
Company Secretary	Dr Laragh Cassar
Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd. Airways House, Third Floor, High Street, Sliema, SLM 1549, Malta
Manager & Registrar	Bank of Valletta p.l.c. BOV Centre, Cannon Road, Santa Venera, SVR 9030, Malta
Legal Advisors to the Issuer	Camilleri Cassar Advocates Level One, No 9, Britannia House Old Bakery Street, Valletta VLT, 1450, Malta
Auditors	KPMG Portico Building, Marina Street, Pietà, PTA 9044, Malta

In addition to the defined terms used in other sections of this Prospectus, the following capitalised terms shall have the meaning attributed hereunder:-

4.0 DEFINITIONS

Act	Companies Act, Cap. 386 of the laws of Malta.
AML	the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and subsidiary legislations and regulations made thereunder.
Board or Board of Directors	the board of directors of the Issuer.
Bonds	the Euro Bonds and the USD Bonds, collectively, for a combined aggregate principal amount of the equivalent of €30,000,000.
Bond Applicant/s	an investor who agrees to apply for and maintain a minimum of €50,000 or \$55,000 in nominal value of Bonds and whose name or, in the case of joint applicants, names, appear in the registration details of a Bond Application Form.
Bond Application/s	the application for subscription for Bonds made by an Applicant/s during the Bond Issue Period, if any, by completing a Bond Application Form/s and delivering same to the Registrar or to Intermediaries.
Bond Application Form/s	the form of application of subscription for Bonds, a specimen of which is contained in Annex III of this Prospectus.
Bond Issue	the offer by the Company of the Bonds under the terms and conditions contained in this Prospectus.
Bond Issue Period	the period between 8.30am on 22 January 2016 and 5:00pm on 27 January 2016.
Bond Issue Price	the price of €100 for each Euro Bond or \$100 for each USD Bond, as the case may be.
CSD	the central securities depository of the MSE established pursuant to article 24 of the Financial Markets Act (Cap. 345 of the laws of Malta), and situated at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta.
Dual Issue	the invitation to subscribe to: (a) Rights to New Ordinary Shares as contained in this Prospectus and, where the context so requires, also the Majority Shareholders' Rights Offer and the Lapsed Rights Offer; and/or (b) the Bonds, as described in this Prospectus.
Euro or € or EUR	the lawful currency of the Eurozone.
Euro Bonds	the 4.5% unsecured bonds of a nominal value of €100 per bond redeemable on the Maturity Date bearing interest at the rate of 4.5% per annum being issued at €100 per bond and redeemable at their nominal value issued by the Company.
Eligible Shareholders	The Issuer's shareholders on the register of the CSD as at the Record Date and their transferee(s).
Excluded Territory	the United States of America and any jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law.
Existing Ordinary Shares	the 45,000,006 Ordinary Shares issued by the Issuer as at the date of this Prospectus.
Intermediaries	the entities listed in Annex I of this Prospectus.
Intermediaries Lapsed Rights Agreements	the agreements dated on or about the date of this Prospectus entered into by and between the Issuer, the Registrar and each of the Intermediaries separately.

Issuer or Company	Medserv p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 28847.
Jointly Controlled Entity	Medserv Italia s.r.l. (a limited liability company registered under the laws of Italy with Ministry of Economy number 121378).
Lapsed Rights	the rights to New Ordinary Shares not validly taken up by a) the Eligible Shareholders by the expiry of the Rights Issue Period and b) the Intermediaries pursuant to the Majority Shareholders Rights Offer, if any.
Lapsed Rights Offer	the offer for subscription of Lapsed Rights made by the Issuer to the Intermediaries for their own account or for the account of their clients, provided that such offers may only be made through and by Intermediaries during the Lapsed Rights Offer Period.
Lapsed Rights Offer Period	the period between 8.30am on 22 January 2016 and 5:00pm on 27 January 2016.
Listing Authority	the authority appointed as such in terms of the Financial Markets Act, Cap. 345 of the laws of Malta.
Majority Shareholders	collectively, Mr Anthony S. Diacono and Malampaya Investments Limited, each holding 37.50% of the issued share capital of the Issuer.
Majority Shareholders' Rights	the Rights of each of the Majority Shareholders' Rights to subscribe to New Ordinary Shares in the following proportions: (i) in so far as Mr Anthony S. Diacono is concerned, 3,750,000 New Ordinary Shares; and (ii) in so far as Malampaya Investments Limited is concerned, 2,625,000 New Ordinary Shares.
Majority Shareholders' Rights Offer	the offer to Intermediaries of the Majority Shareholders' Rights.
Maturity Date	5 February 2026.
Medserv Group or Group	the Issuer, the Subsidiaries and the Jointly Controlled Entity.
METS Acquisition	the acquisition of the METS Companies by Medserv M.E. Limited pursuant to the SPA.
METS Companies	as at the date of the Prospectus, comprise the following companies: (a) Middle East Tubular Services Limited, a limited liability company incorporated under the laws of the British Virgin Islands and having a branch registered in Sharjah, United Arab Emirates (" METS "); (b) Middle East Tubular Services (Iraq) Limited, a limited liability company incorporated under the laws of the British Virgin Islands and having a branch registered in Iraq (" METS Iraq "); (c) Middle East Tubular Services LLC, FZC, a limited liability free zone company registered in the Sohar Free Zone, The Sultanate of Oman (" METS Oman "); and (d) a holding company to be incorporated in the British Virgin Islands which company shall, on METS Acquisition, act as a parent company to the above described companies.

MSE	the Malta Stock Exchange.
New Ordinary Shares	10,000,000 New Ordinary Shares to be issued pursuant to the Rights Issue.
Ordinary Shares or Shares	the ordinary shares of nominal value of €0.10 each in the capital of the Issuer.
Overseas Shareholder(s)	Eligible Shareholder(s) with registered address in, or who are citizen(s) in, or resident(s) of, countries other than Malta.
Provisional Allotment Letter or PAL	the documents of title issued to Eligible Shareholders by the Issuer in respect of the Rights to New Ordinary Shares, pursuant to the Rights Issue, specimen of which are contained in Annex II of this Prospectus.
Record Date	the 29 December 2015, meaning trading up to and including 23 December 2015.
Reference Documents	any supplement to the Prospectus, together with any document incorporated by reference.
Redemption Value	the nominal amount of the outstanding Bonds at Maturity Date.
Registrar's Account	the bank account in the name of Bank of Valletta p.l.c. as shall be communicated to the Intermediaries for the purpose of this Rights Issue and the Lapsed Rights Offer.
Rights	the entitlements in nil paid form to acquire the New Ordinary Shares subject to the payment of the Share Offer Price.
Rights Issue	the proposed issue by way of Rights to the New Ordinary Shares to Eligible Shareholders as described in this Prospectus including those issued pursuant to the Majority Shareholders' Rights Offer and, where the context so requires, shall also include the Lapsed Rights.
Rights Issue Period	the period between 8.30am on the 4 January 2016 and 10.00am on the 18 January 2016 during which the Rights to the New Ordinary Shares are on offer for subscription.
Secured Notes	the €20,000,000 secured and guaranteed notes issued by the Issuer pursuant to the Base Prospectus dated 12 August 2013 (ISIN MT0000311218), as supplemented from time to time.
Securities	the New Ordinary Shares and the Bonds.
Sellers	means: (1) Pentagon Freight Services plc, a company incorporated and registered in England and Wales with company registration number 1162218 whose registered office is at Pentagon House, Unit 1.02 Crayfields Industrial Estate, Main Road, Orpington Kent, BR5 3HP; and (2) Milestone Overseas Holdings Limited, a company incorporated and registered in the British Virgin Islands with company registration number 442711 whose registered office is at International Trust Building, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

Share Offer Price	€1.50 per Share.
Shareholders or Ordinary Shareholders	holders of Ordinary Shares of the Issuer.
SPA	the share purchase agreement executed on the 8 October 2015 by and between the Issuer, Medserv M.E. Limited and the Sellers in respect of the METS Acquisition, further details of which can be found under the section entitled "Material Contracts".
Subscription Agreement	the agreement entered into between the Company and Malampaya Investments Limited dated 21 December 2015 whereby Malampaya Investments Limited has undertaken to exercise its Right to subscribe to 1,125,000 New Ordinary Shares (representing 30% of its Rights), the balance of which is made available to Intermediaries through the Majority Shareholders' Rights Offer.
Subsidiaries	each of: (a) Medserv Operations Limited, a limited liability company registered under the laws of Malta with company registration number C 2971); (b) Medserv East Africa Ltd (a limited liability company registered under the laws of Malta with company registration number C 57749); (c) Medserv Eastern Mediterranean Limited (a limited liability company registered under the laws of Malta with company registration number C 50453); (d) Medserv International Limited (a limited liability company registered under the laws of Malta with company registration number C 44846); (e) Medserv Italy Limited, (a limited liability company registered under the laws of Malta with company registration number C 50987); (f) Medserv Libya Limited, (a limited liability company registered under the laws of Malta with company registration number C 55898); (g) Medserv (Cyprus) Limited, (a limited liability company registered under the laws of Cyprus with company registration number 296580); and (h) Medserv M.E. Limited, (a limited liability company registered under the laws of Malta with company registration number C 72250).
Terms and Conditions	(a) in relation to the Bond Issue, means the terms and conditions contained in Part F of this Prospectus; and (b) in relation to the Majority Shareholders' Rights Offer, Rights Issue and Lapsed Rights Offer, mean the terms and conditions contained in Part G of this Prospectus.
USD or United States Dollar(s) or US\$ or \$	the lawful currency of the United States of America;
USD Bonds	the 5.75% unsecured bonds of a nominal value of \$100 per bond redeemable on the Maturity Date bearing interest at the rate of 5.75% per annum being issued at \$100 per bond and redeemable at their nominal value issued by the Company.
USD Rate of Exchange	the rate of exchange between the Euro and the United States Dollar applicable to the USD Bonds in terms of this Prospectus, that is €1.00 : \$1.141.

5.0 INCORPORATION BY REFERENCE / DOCUMENTS ON DISPLAY

The following Reference Documents are incorporated by reference into this Prospectus and are available in the English language:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the audited consolidated annual financial statements of the Medserv Group for each of the financial years ended 31 December 2012 to 31 December 2014;
- (c) the audited financial statements of each of the Subsidiaries for each of the financial years ended 31 December 2012 to 31 December 2014; and
- (d) the unaudited consolidated interim financial statements of the Medserv Group for the six months ended 30 June 2014 and 2015.

The following documents are available for inspection at the registered office of the Issuer for the lifetime of this Prospectus:

- (a) the documents above described as being Reference Documents; and
- (b) the Prospectus.

The audited consolidated annual financial statements and the unaudited consolidated interim financial statements of the Medserv Group may also be inspected on the Issuer's website: www.medservenergy.com.

6.0 CONSENT

The Issuer consents to the use of this Prospectus with respect to the subsequent resale or final placement of the Bonds and Shares (an "**Offer**") which satisfies all of the following conditions:

- (a) the Offer is only made in Malta;
- (b) the Offer is only made during the period from and including the 15 January 2016 until the 27 January 2016 (the "**Offer Period**"); and
- (c) the Offer is made only by an Intermediary.

Information on the terms and conditions of an offer by any Intermediary is to be provided at the time of that offer by the Intermediary. Any new information with respect of Intermediaries unknown as at the date of this Prospectus shall be published by the Issuer by way of a company announcement.

PART B

14

7.0 SUMMARY

Summaries are made up of disclosure requirements known as 'elements'. These elements are numbered in sections A – E (A.1 – E.7). This Summary contains all the elements required to be included in a summary for these types of securities and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements. Even though an element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case, a short description of the element is included in the summary after the words 'not applicable'.

SECTION A – INTRODUCTIONS & WARNINGS

A1 Introduction and Warnings:

This Summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a Summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff might, under the national legislation of the relevant Member State of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

No civil liability shall attach to any responsible person solely on the basis of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Securities.

A2 **Consent by the Issuer to the use of prospectus in subsequent resale or final placement of Securities, indication of offer period and conditions to consent for subsequent resale or final placement, and warning:**

The Issuer consents to the use of this Prospectus with respect to the subsequent resale or final placement of the Bonds and Shares (an "Offer") which satisfies all of the following conditions:

- (a) the Offer is only made in Malta;
- (b) the Offer is only made during the period from and including the 15 January 2016 until the 27 January 2016 (the "Offer Period"); and
- (c) the Offer is made only by the Intermediaries.

Information on the terms and conditions of an offer by any Intermediary is to be provided at the time of that offer by the Intermediary. Any new information with respect to Intermediaries unknown as at the date of this Prospectus shall be published by the Issuer by way of a company announcement.

SECTION B – ISSUER

B1 Legal & Commercial Name of Issuer:

Medserv p.l.c.

B2 Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of the Issuer:

The Issuer is domiciled in Malta and is lawfully incorporated as a public limited liability company, existing and registered in terms of the Companies Act, Cap. 386 of the laws of Malta.

B3 & B15 Nature of the issuer's current operations and its principal activities:

The Group is involved in the upstream sector of the oil and gas industry (also commonly referred to as the exploration and production sector. Medserv has developed four principle product service lines in order to better meet client requirements, namely:

- (i) Integrated offshore logistics;
- (ii) Engineering support services;
- (iii) Mixing and storage of drilling fluids; and
- (iv) Environmental services including solar power generation.

The Acquisition of the METS Companies will allow the Medserv Group to increase its offering to different services such as inspection and machine shop services in the Middle Eastern market. The METS Acquisition is subject to a number of conditions, including the raising of financing to settle the balance of the purchase consideration and the approval of the Issuer's shareholders in a general meeting, which approval was granted by the shareholders during the general meeting held on the 3 December 2015.

B.4a & B.4b Significant recent trends & known trends affecting the Issuer and industries in which the Issuer operates:

- Even though the price of oil has fallen, the long term demand for oil is expected to remain strong. A drop in oil prices has a positive effect on the general economy.
- On the other hand, the reduction in oil prices is negatively felt by the countries whose economies are dependent on producing oil and by companies that are involved in oil production since this results in lower profits and therefore less exploration and/or production projects coming on board. The oil companies however tend to utilise the fact that they are producing less profits to negotiate better favourable terms with the oil producing countries.
- The uprising in Libya, whilst having a negative impact on Medserv's previous operations in Libya, has had a positive effect on its operations in Malta.
- There appears to be a trend towards 'easy-oil' jurisdictions, that is, the traditional oil-rich jurisdictions. Medserv is targeting its short to medium term growth on such easy-oil locations, in particular through the conditional acquisition of the METS Companies present in the Middle East.

B.5 Description of the group and the Issuer's position within the group:

The Issuer is the parent company of the Medserv Group. It holds more than 50% of the issued share capital of the following subsidiary companies:

- (a) Medserv Operations Limited, (C2971), a registered Maltese limited liability company;
- (b) Medserv East Africa Ltd, (C 57749), a registered Maltese limited liability company;
- (c) Medserv Eastern Mediterranean Limited, (C50453), a registered Maltese limited liability company;
- (d) Medserv International Limited, (C 44846), a registered Maltese limited liability company;
- (e) Medserv Italy Limited, (C 50987), a registered Maltese limited liability company;
- (f) Medserv Libya Limited, (C 55898), a registered Maltese limited liability company;
- (g) Medserv M.E. Limited, (C72250), a registered Maltese limited liability company; and
- (h) Medserv (Cyprus) Limited, (296580), a registered Cypriot limited liability company.

Also part of the Group is the Jointly Controlled Entity, Medserv Italia s.r.l., (a registered Italian limited liability company) (Ministry of Economy number 121378), of which Medserv p.l.c. holds 50% through Medserv Italy Limited.

B.6 & B.16 Shareholders holding in excess of 5% of the Issuer's issued share capital:

As at the 3 December 2015, the Company had been notified that the following persons held directly or indirectly 5% or more of the voting rights of the Company:

	No. of Ordinary Shares	% of Share Capital
Anthony S. Diacono	9,375,000	37.50%
Malampaya Investments Limited	9,375,000	37.50%
Rizzo, Farrugia & Co (Stockbrokers) Ltd (on behalf of clients and, to the extent of 0.4% thereof, held on own account)	1,444,386	5.77%

None of the Shareholders referred to above has different voting rights from any other holder of Ordinary Shares in respect of any Ordinary Shares held by them.

B.7 & B.12 Key financial information and narrative description of significant changes to financial condition and operating results of the Group during or subsequent to the period covered by the historical financial information:***Issuer's Annual Financial Results for financial years 2012 to 2014***

Summarised extracts from the consolidated financial statements of the Issuer for the years ended 31 December 2012 to 2014 are set out below.

MEDSERV P.L.C. - CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December	2014	2013	2012
	€'000	€'000	€'000
Revenue	32,383	6,899	6,709
Results from operating activities	4,121	399	(987)
Profit/(loss) for the year	2,186	394	(378)
Earnings/(loss) per share*	7c7	1c5	(1c)

* Loss per share for the financial year ending 31 December 2012 has been amended to reflect the recalculation of earnings per share following the redenomination of the share capital of the Issuer.

Medserv p.l.c. - Condensed Consolidated Statements of Financial Position

As at 31 December	2014	2013 Restated	2012 Restated
	€'000	€'000	€'000
Total assets	80,836	58,909	50,469
Total equity	9,473	8,157	7,951
Total liabilities	71,363	50,752	42,518
Total equity and liabilities	80,836	58,909	50,469

In 2012, the Group's results were affected by the instability suffered in the Group's main market. Although production of oil and gas from existing fields in Libya reached pre-war levels during this period, the expected recovery in exploration operations took longer than anticipated. Despite the difficult situation in Medserv's main market, which persisted in 2013, and the delay of certain contracts that were scheduled to commence during the second half of the year, revenue during this financial year remained relatively unchanged on 2012 levels. Whilst Libya remained an important market for Medserv in 2013, the Group continued to invest resources to diversify its sources of income. In particular, the Group targeted the Eastern Mediterranean where it successfully secured a multimillion Euro support services contract from ENI Cyprus Limited which commenced in June 2014. Furthermore, during 2013 the Company invested €4.0million in the installation of a 2MWp photovoltaic farm at its Malta base. The solar farm, which started providing electricity to the grid in the second half of 2014, not only provides the Group with a stable flow of income for a number of years but is also considered as an investment towards sustainable energy production. As a result of the Group's efforts to diversify and extend its product offering and market reach in the previous two financial years, 2014 marked a significant year in the Group's performance as revenue increased by 369% on 2013 levels. The revenue growth was largely underpinned by the commencement of major offshore drilling and maintenance operations out of Malta in the second half of the year and the commencement of operations at the Cyprus base.

In 2012, the Group experienced a loss in the premium margins generated in the prior year through the provision of support services in a more complex and risky operating environment in Libya. This, coupled with the reduction in turnover arising from the fluid situation in the region resulted in a reduction in overall gross margins. Gross profit in 2013 increased to €2.0million from €0.7million in 2012 and gross margin improved by 17 percentage points over the previous year, largely influenced by the purchase and subsequent use of its own equipment (as an alternative to leasing) and a shift in the Group's product mix to higher margin services. These higher margin services consisted of shore-based logistic services in anticipation of drilling campaigns that were scheduled to commence in the following year. In 2014, the Group's gross profit increased to €7.5million from €2.0million in 2013 in spite of a reduction of 5 percentage points in gross margin resulting from an increase in lower margin business.

In 2012, although the Group was not experiencing the pre-war level of business, it maintained a level of operations in order to position itself to meet an eventual upturn in demand. In addition, given the downward trend in revenue from the North African region during the three year period to late 2012, the Group experienced an increase in its expenditure levels as part of its efforts to diversify and extend its product offering and market reach. These were the main drivers of the additional administrative expenditure incurred during 2012, which levels were maintained in 2013. In 2014, administrative expenses more than doubled as a result of the substantial increase in business experienced by the Group during the said year.

In 2012, the Group sustained its only loss (equivalent to circa €0.4million) during the three year period under consideration. Despite this negative result, the Group continued with its significant capital investment programme, strengthened its management team and increased its marketing budget in anticipation of an upturn in business. As a result, the Group generated a profit over the subsequent twelve months and experienced a sharp increase in its bottom line in 2014, generating a net profit of approximately €2.2million.

During the period under consideration, the Group declared total dividends of €2.0million of which €1.4million was declared in 2014 with the remaining €0.6million declared in 2013.

Between 2012 and 2014, the Group implemented an investment programme covering plant and equipment at the Malta base (in 2012), commissioned the building of additional office space, ensured significant improvements in the Malta base yard, constructed the photovoltaic farm at the Malta base and set up a shore-base facility in Cyprus (in 2014). From a financing perspective, during the said period the Group effected a drawdown of circa €4.3million out of its bank facilities and effected repayments of circa €3.9million. Furthermore, in 2013 the Group issued the first tranche of €13.0million notes of the €20.0million bond issue, with the second tranche of €7.0million issued in 2014. These funds provided the Group with the liquidity needed to exploit opportunities as and when they arose and also served to fund the Group's investment in particular equipment that yields significant profit margins, the improvements and/or developments at the Cyprus Base and the installation of the photovoltaic farm and related infrastructure.

Issuer's Interim Financial Results

The interim unaudited financial results of the Issuer for the six months ended 30 June 2014 and 2015 are set out below.

Medserv p.l.c. – Condensed Consolidated Statements of Comprehensive Income

For the period ended 31 December	1 January to 30 June 2015	1 January to 30 June 2014
	€'000	€'000
Revenue	26,927	9,514
Results from operating activities	5,277	910
Profit for the period	3,009	446
Earnings per share	11c4	1c6

Medserv p.l.c. – Condensed Consolidation Statements of Financial Position

As at	30 June 2015	31 December 2014
	€'000	€'000
Total assets	80,825	80,836
Total equity	10,823	9,473
Total liabilities	70,002	71,363
Total equity and liabilities	80,825	80,836

During the first half of 2015, the Group registered a 183% increase in turnover when compared with that generated during the first six months of 2014, largely emanating from the provision of logistical support to offshore oil and gas drilling programmes in both North Africa and the Eastern Mediterranean region.

The activity levels at the Malta base during the first six months of 2015 necessitated the further expansion of the office block, as well as the lease of a further 13,600sqm of land at Hal Far. Furthermore, in view of the growing shortage of quay space in Malta suitable for quayside operations, the Group has sought alternative facilities, and has been successful in locating a suitable port in Greece. The first vessel has already arrived and the Group's staff has been relocated to manage this new business in a new location for the Group.

The deteriorating situation in Libya led to the Group's decision to close the Misurata base. The Tripoli office, however, remains active and has been awarded a significant contract valued at €1.0million, with the possibility to extend by a further €2.0million in 2016.

During the first six months of 2015, the Group experienced a substantial increase in gross profit (€7.8million up from €1.8million for the comparable period in 2014), and registered an improvement in overall gross margins, largely attributable to a reduction in the low margin business that comprised a substantial portion of turnover in 2014. Furthermore, despite an increase in wages and salaries, professional fees and business development contributing to higher levels of administrative expenses during the first half of 2015, the Group generated a net profit of €3.0million, which represented a significant improvement over the net profit of €0.4million achieved during the six-month period ended 30 June 2014.

The Group's net assets during the first six months of 2015 increased by just above €1.3million. This increase mainly consisted of an increase in property plant and equipment, principally comprising base improvements and the acquisition of plant and equipment for the Malta base, the latter of which also includes plant and equipment relocated from the Misurata base in Libya following its closure.

Significant changes to financial condition and operating results of the Group subsequent to the period covered by the historical financial information

On the 8 October 2015, the Issuer and Medserv M.E. Limited entered into the SPA for the METS Acquisition for the purchase consideration of USD46.0million, out of which a deposit of USD3.0million was paid on account of the price. The completion of the METS Acquisition and the obligation to pay the balance of the consideration is subject to, *inter alia*, the Issuer raising sufficient financing to settle the balance. The Issuer expects the transaction to be completed around 23 February 2016.

The METS Acquisition is in line with Medserv's longer-term strategy of increasing its geographical spread and product spread as well as to continue to grow its customer portfolio of international oil and gas companies and their contractors. The acquisition will also present Medserv with cross-selling opportunities. Services between the METS Companies and Medserv do intersect but whereas Medserv concentrates on the offshore oil and gas industry, METS tends to support the onshore oil and gas industry. Synergies are expected to be achieved by combining the two groups.

The METS Companies generated revenue levels of €21.5million¹ (USD24.1million) during the last financial year ended 30 April 2015. The combined net profit after tax amounted to €2.7million¹ (USD3.0million) whilst the earnings before interest, tax, depreciation and amortisation ('EBITDA') for the same financial year amounted to €4.6million¹ (USD5.1million). Before taking into account any synergies, Medserv expects that the METS Companies would at least continue to operate at this level of performance post-acquisition. As at 30 April 2015, METS Companies' combined net assets stood at €18.5million¹ (USD20.7million) mainly representing tangible fixed assets (mainly comprising Machinery, Tools & Equipment and Leasehold Improvements) and working capital including cash and cash equivalents. The METS Companies do not avail itself of any bank borrowings or other forms of long-term debt.

The METS Acquisition will be mainly financed through the proceeds received from the Bond Issue and the Rights Issue. In the event of the transaction being successfully completed, Medserv's consolidated financial statements will include the METS Companies as fully owned subsidiaries. Medserv, through Medserv M.E. Limited, will become entitled to all dividend income that may be declared by the METS Companies and the Company's share capital will reflect the additional equity issued. Medserv will also be required to meet the cost of servicing the debt raised to finance the transaction. At a group level, Medserv's assets and liabilities will include assets and liabilities of the METS Companies and the debt raised for the purposes of the METS Acquisition.

Furthermore, Medserv would need to carry out a detailed Purchase Price Allocation exercise whereby the purchase consideration is allocated to the fair value of all identifiable net assets acquired as at acquisition date with the residual being goodwill. This will necessitate the determination of the fair value of the identifiable assets and liabilities assumed of METS, as well as, any identifiable intangible assets (such as contracts in place, brand value) arising in connection with the METS Acquisition. The latter would then be amortised over the remaining useful life of such assets whilst any goodwill recognised in the books of Medserv would need to be tested for impairment at least annually.

There has been no material adverse change in the prospects of the Issuer since the 31 December 2014, being the date of its last published audited financial statements.

¹ All figures quoted in Euro have been translated from USD to Euro using the exchange rate prevailing as at 30 September 2015 of 1.1203USD:1EUR (Source: European Central Bank) for information purpose only

B.8	Key <i>pro forma</i> financial information: Not applicable: No key <i>pro forma</i> financial information has been published in this Prospectus.
B.9	Profit Forecast or Estimate: Not Applicable: the Issuer has chosen not to include a profit forecast or estimate.
B.10	Nature of any qualifications in audit report on historical financial information: Not Applicable: the audit report on the historical financial information of the Issuer contains no qualifications.
B.11	Working Capital: The Issuer is of the opinion that the working capital available to the Group is sufficient for its business requirements over the coming twelve months of operations.
B.13	Recent Events material to the evaluation of the Issuer's solvency: Not Applicable: there are no recent events that are particular to an evaluation of the Issuer's solvency.
B.14	Dependency of the Issuer on other entities within the group: The financial position of the Issuer is dependent on the financial position of its subsidiary undertakings, in particular Medserv Operations Limited and Medserv (Cyprus) Limited.
B.17	Credit Ratings: Not Applicable: There are no credit ratings assigned to the Issuer or its debt securities.

SECTION C – SECURITIES

	ORDINARY SHARES	BONDS
C.1	Type and class of Securities being offered and/or admitted to trading: Ordinary shares having a nominal value of €0.10 each. The Issuer has no other classes of shares in issue. When admitted to trading on the Official List of the MSE, the New Ordinary Shares will be registered with the Issuer's existing ISIN number being MT0000310103.	Type and class of Securities being offered and/or admitted to trading: An aggregate of the equivalent of €30,000,000 in Unsecured Bonds having a face value of €100 per Euro Bond or \$100 per USD Bond, subject to a minimum subscription and holding of €50,000 or \$55,000 in Bonds. Accordingly, each transfer of Euro Bonds or USD Bonds which would result in a Bondholder holding less than such minimum amounts is not permitted unless as a result of the said transfer, the Bondholder shall have disposed of all of his holding in the Euro Bonds or USD Bonds, as the case may be. The Bonds are unsecured and will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Euro Bonds shall bear interest at the rate of 4.5% per annum and shall be repayable in full upon maturity in Euro. The USD Bonds shall bear interest at the rate of 5.75% per annum and shall be repayable in full upon maturity in USD. On admission to trading the Euro Bonds will have the following ISIN number MT0000311234 and the USD Bonds will have the following ISIN number MT0000311242.
C.2	Currency: Euro	Currency: Euro as regards the Euro Bonds and USD as regards the USD Bonds
C.3	Number of shares issued: As at the date of this Prospectus, the Issuer had 45,000,006 Ordinary Shares of a nominal value of €0.10 each (fully paid) and the nominal issued share capital of the Company amounted to €4,500,000.60.	Not Applicable
C.4	Description of the rights attached to the shares: The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares.	Not Applicable

	ORDINARY SHARES	BONDS
C.5	Description of restrictions on free transferability: There are no restrictions on the free transferability of the Ordinary Shares.	Description of restrictions on free transferability: Subject to the below, the Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (that is, in integral wholes of €100 / \$100 per Bond) in accordance with the rules and regulations of the MSE applicable from time to time. Bondholders are required to maintain a minimum holding of €50,000 or \$55,000 and accordingly, each transfer of Euro Bonds or USD Bonds which would result in a Bondholder holding less than such minimum amounts is not permitted unless as a result of the said transfer, the Bondholder shall have disposed of all of his holding in the Euro Bonds or USD Bonds, as the case may be.
C.6	Admission: Application will be made to the MSE for Shares issued as a result of the exercise of any Rights under the Rights Issue to be listed and traded on the Official List of the Malta Stock Exchange and for dealings to commence once the New Ordinary Shares are authorised as Admissible to Listing by the Listing Authority, which is anticipated to be on or around the 5 February 2016.	Not Applicable
C.7	Dividend Policy: The Directors of the Company currently adopt a policy pursuant to which, subject to available cash flows, the requirements of the Act and sufficient working capital, forty per cent per cent (40%) of the distributable profits are distributed to its shareholders by way of dividend. It is expected that subject to the Group's cashflow requirements, unforeseen circumstances and economic conditions that might have an impact on the Company's financial performance and the requirements of the Act, the Directors maintain this policy in the foreseeable future.	Not Applicable

ORDINARY SHARES

BONDS

C.8

Not Applicable

Description of the rights attached to the Bonds:

Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Bond Application Form. Execution of the Application Form will entitle such investor to (i) the payment of capital; (ii) the payment of interest; (iii) rank as an unsecured debtor of the Issuer, (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions; and (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

The Bonds shall become immediately due and repayable, at their principal nominal amount together with accrued interest, on the occurrence of the following events:

- (i) the Issuer fails to pay any interest on any Bond when due and within 30 days from written notification by a Bondholder; or
- (ii) the Issuer is in breach of any material obligation contained in the terms and conditions of the Bonds and continues to be in default for 60 days after written notification by a Bondholder; or
- (iii) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- (iv) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (v) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.

The Issuer may without the consent of the Bondholders, create and issue debt securities, either having the same terms and conditions as the Bonds and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, or upon such terms as the Issuer may determine at the time of their issue.

The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any dispute shall be settled exclusively by the Maltese Courts.

ORDINARY SHARES	BONDS
C.9 Not Applicable	Interest / Redemption of the Bonds: The Bonds shall bear interest from and including the 5 February 2016 at the rate of 4.5% per annum in the case of the Euro Bonds and 5.75% per annum in the case of the USD Bonds on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on the 5 February 2016. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 5 February 2026. The Euro Bonds will be redeemed in Euro and the USD Bonds will be redeemed in USD. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Maturity Date, is in the case of the Euro Bonds 4.5% and in the case of the USD Bonds 5.75%. The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.
C.10 Not Applicable	Derivative Component: Not Applicable: there is no derivative component in the interest payments on the Bonds.
C.11 Not Applicable	Admission to Trading: The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 21 December 2015. Application has been made to the MSE for the Bonds being issued, pursuant to the Prospectus, to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 5 February 2016 and trading is expected to commence on 8 February 2016.

SECTION D – RISKS

D.1 & D.2 Key information on the key risks that are specific to the Issuer or Industry

- **Issuer's Reliance on Medserv Operations Limited and Medserv (Cyprus) Limited:** The Issuer is dependent on the business prospects of its subsidiary companies, in particular, Medserv Operations Limited and Medserv (Cyprus) Limited.
- **Risks Relating to the Industry:** Medserv is exposed to the risks associated with the trends and future outlook of the oil and gas industry as a whole.
- **Risks Relating to the Market:** The demand for the Group's services is dependent on the construction of new drilling and product facilities and indirectly on the demand for oil and gas and their price.
- **Risks Relating to Emerging Markets:** The Group's operations are dependent on emerging markets. These markets present economic and political conditions which may result in less social, political and economic stability. Therefore, the Group's business may be negatively impacted by political and economic instability, exchange controls, risk of nationalisation and changes in Government policies.
- **Limited IOCs in Industry:** The oil and gas industry, particularly in the Mediterranean region, is dominated by a very limited number of international oil companies (IOCs). Medserv's performance depends on it being able to maintain and increase its relationship with these IOCs.
- **Dependence on Key Personnel:** The growth of the Group has been, in part, attributed to the capabilities of the members of the executive management team. Their continued contribution to the Group is essential to the continued growth of the Group.
- **Completion of the METS Acquisition:** the completion of the METS Acquisition is dependent upon the completion or waiver of specific conditions, including the raising of financing for the payment of the purchase price and the approval of the METS Acquisition by the Issuer's shareholders and other conditions incumbent on the Sellers. The shareholders approved the METS Acquisition during the general meeting held on the 3 December 2015. The completion of the remaining conditions cannot be guaranteed. In the event of their non-satisfaction and the termination of the SPA, the Issuer may be required to forfeit the deposit of \$3,000,000.
- **Integration of METS Companies within the Medserv Group:** The Issuer may be unable to successfully complete or integrate the METS Companies into its business as a result of it facing difficulties commonly associated with acquiring existing business and entering different markets which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.
- **Markets in which METS Operates:** METS operates in industries and geographical markets which are new to the Medserv Group. This may result in the Group being faced with elements thereof which may not have been understood in full. In addition, METS Iraq operates in Basra, Iraq and is therefore subject to the risks of crime, war and insurgencies.
- **Forward-Looking Statements:** Forward-looking statements can be identified by the use of terms such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should". These forward-looking statements relate to matters that are not historical facts. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Prospectus.

SECTION D – RISKS

D.3 Key information on the key risks that are specific to both the Bonds and the Ordinary Shares (together the 'Securities'):

There are certain factors which are material for the purposes of assessing the market risks associated with both the Bonds and the Ordinary Shares, including the following:

- **No Assurance of Active Secondary Market:** A liquid market depends, amongst others, on the presence of willing buyers and sellers. The Issuer cannot guarantee that such a liquid market will develop for the Securities and that the Securities may be traded at above their issue price/acquisition price.
- **Suitability:** An investment in the Securities may not be suitable for all recipients of this Prospectus. Investors should discuss a decision to invest in the Securities with their licensed investment advisors.
- **Issuer's Solvency:** In the event of an insolvency of the Issuer, the holders of the Shares and the Bonds may suffer direct and materially adverse consequences, including the loss of their entire investment.

Key information on the key risks that are specific to the Ordinary Shares:

There are certain factors which are material for the purpose of assessing the market risks associated with the Ordinary Shares, including the following:

- **Dividend Risk:** The Issuer's ability to pay dividends and its ability to receive distributions from its investments in other entities is subject to applicable local laws. In addition, other restrictions, including regulatory requirements, capital and leverage requirements, statutory reserves, financial and operation performance and applicable tax laws may restrict its ability to pay dividends.
- **Share Price Fluctuation Risk:** The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in market regarding the Ordinary Shares and/or securities of other financial institutions.
- **Dilution Risk:** Eligible Shareholders who do not subscribe to their full entitlement to New Ordinary Shares in the Rights Issue will experience dilution in their ownership of the Issuer.
- **Securities Law Risk:** Securities laws of certain jurisdictions may restrict Shareholders in exercising the rights attaching to their Ordinary Shares and participating in the Rights Issue.

Key information on the key risks that are specific to the Bonds:

There are certain factors which are material for the purpose of assessing the market risks associated with the Bonds, including the following:

- **Ranking & Other Security:** The Issuer has not granted any security over its own assets and therefore its obligations in regards to the Bonds are unsecured obligations ranking equally with all other present and future unsecured obligations. Any indebtedness secured by security interests over the assets of the Group (including the Secured Notes in issue) will rank in priority to the Bonds.
- **Value of the Bonds:** The value of the Bonds may increase or decrease and past performance is not necessarily indicative of future performance.
- **Fixed Rate Bonds:** Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- **Minimum Investment Amount:** the minimum investment amount on subscription/acquisition is €50,000 / \$55,000 per investor and thereafter the minimum holding amount is €50,000 / \$55,000. This could affect the ability of Bondholders to sell the Bonds on the secondary market.

SECTION E – DUAL ISSUE

E.1 Net proceeds and costs of Dual Issue:

The net proceeds of the Rights Issue (assuming take up in full of all New Ordinary Shares) and the Bond Issue are expected to be approximately €43.5million. The total costs, charges and expenses payable by the Issuer in connection with the Rights Issue, the Lapsed Rights Offer (if any) and the Bond Issue are not expected to exceed €1.5million. No expenses will be charged by the Issuer to the purchasers of the New Ordinary Shares and/or Bonds.

E.2(a) & (b) Bond Issue

The net proceeds from the Bond Issue, which if taken up in full is expected to be in the region of €29.5million, will be used by the Issuer to, directly/indirectly, part-finance the balance of the purchase price (\$43million) due in respect of the METS Acquisition and payable on completion (expected to take place on the 23 February 2016). The Issuer has secured arrangements to convert part of the proceeds from the Bond Issue into USD. In the event that the Issuer does raise the balance required in USD through the issuance of USD Bonds, it shall convert the said balance from Euro to USD at the spot rate.

The funds from the Bond Issue will only be released by the Registrar to the Issuer if the conditions precedent to closing, as set out in the SPA, have all been satisfied, or waived, as the case may be, by the 23 February 2016 or such later date that may be agreed between the parties to the SPA provided that if the conditions precedent are not satisfied or waived by the 29 February 2016, the Issuer shall be bound to repurchase and cancel the Bonds at their nominal value together with all interest accrued thereon and shall apply the proceeds held by the Registrar for this purpose.

Rights Issue & Lapsed Rights Offer (if any)

The net proceeds from the Rights Issue and Lapsed Rights Offer (if any), which if taken up in full is expected to be in the region of €14.5million, will be used by the Issuer to, directly or indirectly,

- (a) finance the remaining balance required to settle the purchase price for the METS Acquisition, which is expected to be in the region of €8.5million. In the event that for whatever reason the SPA is terminated, the Issuer shall utilise the said amount for working capital purposes;
- (b) repay its bank overdraft facility with HSBC Bank Malta p.l.c. in the amount of €1million and with Bank of Valletta p.l.c. in the amount of €1.1million;
- (c) finance improvements and/or the development of the Group's existing and new bases and to finance the Group's working capital – it is expected that an amount of €3.9million of the proceeds shall be allocated for this purpose.

The application of the proceeds in the manner described in a) above to the extent that it relates to the settlement of the balance of the purchase price of the METS Companies shall have priority over the remaining identified uses. The utilisation of the balance of the funds is not set out in any particular order of priority.

E.3 Description of the terms and conditions of the Dual Issue:

The allotment of New Ordinary Shares and the Bonds is conditional upon:

- (a) a minimum aggregate amount of €35,000,000 being raised through the Rights Issue, the Lapsed Rights Offer, if any, and the Bond Issue; and
- (b) the New Ordinary Shares and the Bonds being admitted to the Official List of the MSE.

The Issuer will announce by way of company announcement whether sufficient proceeds were raised to render, subject to paragraph b) above, the issuance of the New Ordinary Shares and the Bonds unconditional. It is expected that this announcement will be made on or by the 3 February 2016.

In the event that the conditions are not completed by the 3 February 2016, all monies received by the Issuer in respect of the Rights Issue and the Bond Issue will be returned without interest by direct credit into the bank account indicated by the respective applicant.

RIGHTS ISSUE

E.3

The Rights Issue is being made to all Shareholders on the register of members of the Issuer at the close of business on the Record Date.

Pursuant to the Rights Issue, the Issuer is proposing to offer 10,000,000 New Ordinary Shares by way of Rights to Eligible Shareholders at the Share Offer Price of €1.50 per New Ordinary Share payable in full on acceptance by no later than 10.00 am on 18 January 2016.

The Rights Issue will be made on the basis of 2 New Ordinary Shares for every 9 Existing Ordinary Shares registered in the name of each Eligible Shareholder at the close of business on the Record Date (and so in proportion for any other number of Existing Ordinary Shares then registered in the name of such Eligible Shareholder). Entitlements to New Ordinary Shares will be rounded up to the nearest whole number.

The offer of New Ordinary Shares and the Rights Issue will not be made in the Excluded Territories being United States of America and any jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law.

Malampaya Investments Limited has entered into the Subscription Agreement as a result of which it has agreed to subscribe to 1,125,000 New Ordinary Shares, representing 30% of its Rights.

Mr Anthony S. Diacono and Malampaya Investments Limited are making an offer to Intermediaries of their entitlement to 3,750,000 New Ordinary Shares in the case of Anthony S. Diacono and 2,625,000 New Ordinary Shares in the case of Malampaya Investments Limited at the Share Offer Price. The said Intermediaries shall be invited to subscribe to the said Rights (that is, the Majority Shareholders' Rights) through the completion and submission of Placement Agreements by the Placement Date (15 January 2016).

In the event that the Majority Shareholders' Rights are not subscribed in full by the Intermediaries by the said date, the amount unsubscribed shall be made available to the general public during the Lapsed Rights Offer (that is, from and including the 22 January 2016 up to the 27 January 2016).

BOND ISSUE

The Bond Issue is only open to Bond Applicants that agree to subscribe and hold a minimum of €50,000 or \$55,000, as the case may be, in value of Bonds.

The Bonds shall be offered to Intermediaries for subscription by the Placement Date (15 January 2016). In the event that the Bonds are not subscribed in full by the Intermediaries by the said date, the Issuer shall make available the amount unsubscribed to investors by way of a public offer during the Bond Issue Period, that is, from and including the 22 January 2016 up to the 27 January 2016, unless closed earlier due to over-subscription.

Subscription amounts shall be in multiples of €100/\$100. The total principal amount of the Bonds on offer is the equivalent of €30,000,000.

The Bonds are issued at their par value, i.e. €100 per Euro Bond and \$100 per USD Bond, as the case may be and shall bear interest at the rate of 4.5% per annum as regards the Euro Bond and 5.75% as regards the USD Bond, in each case payable semi-annually on the 5 February and 5 August of each year. Interest shall accrue as from 5 February 2016. The first Interest Payment Date shall be 5 August 2016.

The Bonds are unsecured and rank equally with all the Issuer's unsecured obligations.

Subscriptions may be made through any of the Intermediaries. The Issuer shall give priority to those Bond Applications received for USD Bonds with preference over applications received for the Euro Bonds. Within five (5) business days from closing of the subscription lists, the Issuer shall issue a company announcement with the result of the Issue, the basis of acceptance of applications. In the event of an over-subscription of Bonds, the Issuer shall scale down each Bond Application to the minimum subscription amount of €50,000/\$55,000, as the case may be. Where following this scaling down exercise, the aggregate face value of applications remains in excess of those available for subscription, a ballot shall be held and the drawn Bond Applications shall be allocated Bonds of €50,000/\$55,000, as the case may be.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 or \$100, as the case may be. Any person in whose name a Bond is registered may be deemed and treated at all times, by all persons and for all purposes as the absolute owner of such Bond.

**E.3
Cont.**

The offer of Bonds will not be made in the Excluded Territories being United States of America and any jurisdiction where the extension into or availability of the Bonds would breach any applicable law.

The maximum amount of USD Bonds which may be issued is \$34,230,000. This amount is calculated using the USD Rate of Exchange.

E.4

Description of any interest material to the issue/offer, including conflicting interests

Not applicable. There are no interests, known to the Issuer, material to the issue of the New Ordinary Shares or the Bonds which are conflicting interests.

E.5

Name of person selling securities & Lock-up Agreements

Not applicable. The Rights Issue comprises an offer of New Ordinary Shares to be issued by the Company. The Majority Shareholders, being Mr Anthony S. Diacono and Malampaya Investments Limited, are making an offer of their Rights to Intermediaries who are being invited to subscribe thereto at the Share Offer Price through the submission of Placement Agreements. Any New Ordinary Shares not subscribed to by Intermediaries shall form part of the Lapsed Rights Offer. There are no lock-up agreements being entered into for the purpose of this Prospectus. Mr Anthony S. Diacono is the executive director and chairman of the Medserv Group. Malampaya Investments Limited is beneficially owned by Mr Anthony J. Duncan and occupies the position of executive director of the Medserv Group. As at the date of this Prospectus Mr Anthony S. Diacono and Malampaya Investments Limited each hold 9,375,000 Shares in the Company (each holding 37.50% of the issued shares of the Company).

E.6

Dilution resulting from the Rights Issue

Eligible Shareholders who do not take up any of their rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of 18% in their interests in the Issuer in the event that all New Ordinary Shares are issued.

E.7

Estimated expenses charged to the investor by Issuer

Not applicable. No expenses will be charged to the investor by the Issuer.

PART C

30

8.0 RISK FACTORS

An investment in the Issuer and the Securities involves certain risks. The following risks are those identified by the Issuer as at the date of the Prospectus. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in this Prospectus and Reference Documents before deciding to make an investment in the Issuer and the Securities.

Some of these risks are subject to contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

If any of the risks described below were to materialise, they could have a serious effect on the Issuer's financial results and/or trading prospects.

The risks and uncertainties discussed below may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Directors of the Issuer are not currently aware, may well result in a material impact on the financial condition and operational performance of the Issuer. Accordingly, prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in the Prospectus before investing in the Securities. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors.

8.1 RISKS RELATING TO THE ISSUER

8.1.1 DEPENDENCE ON MEDSERV OPERATIONS LIMITED AND MEDSERV (CYPRUS) LIMITED

The Issuer is mainly dependent on the business prospects of Medserv Operations Limited and Medserv (Cyprus) Limited and, therefore, the operating results of the said subsidiary companies has a direct effect on the Issuer's financial position. The dependence of the Issuer on these two entities is largely the result of a combination of factors, namely, the fact that the know-how and experience of the business and the industry is and has been concentrated within the persons employed by Medserv Operations Limited, the entitlement to the rights on the Medserv Site (including the structures and quays) is held by Medserv Operations Limited and furthermore, a substantial portion of the Group's revenue has been generated by Medserv Operations Limited's and Medserv (Cyprus) Limited's business. During the financial year ended 31 December 2014, the combined revenue of the said companies contributed to more than 98% of the Group's revenue. During the financial years ended 31 December 2013 and 31 December 2012 and prior to the commencement of business in Cyprus, Medserv Operations Limited contributed to more than 93% of the Group's revenue.

8.1.2 RISKS RELATING TO FLUCTUATIONS IN LEVELS OF OIL AND GAS PRICES.

Drilling and other oilfield service firms, such as Medserv, are dependent on the price and demand for oil and gas. In a scenario of increases in oil prices, service companies such as Medserv directly benefit from increased services required by oil companies in preparation of the oil exploration. On the other hand, as oil prices decline, energy production companies focus their efforts on increasing operating efficiencies. As companies engaged in oil and natural gas production curtail capital expenditures and seek operating efficiencies in response to lower oil prices, these actions apply downward pressure on the rates charged by drillers, oilfield support services, and other suppliers such as Medserv. Accordingly, the Medserv Group's profit margins may be tightened due to such weakened demand for the services offered and heightened industry competition to maintain market share.

8.1.3 INDUSTRY SECTOR

The Group's business activities consist of supporting and servicing the oil and gas industry. Inevitably therefore the Group is exposed, to a certain extent, to the risks associated with the trends and future outlook of that industry as a whole.

8.1.4 MARKET

The level of demand for the Group's services is dependent to a certain extent on the level of economic activity within the oil and gas industry. This level of demand for the Group's services is dependent on the level of new drilling and production facilities in various regions around the world. The level of production activity by oil and gas producers is, in turn, largely based on the demand for oil and gas and accordingly, to a certain extent, on the price of oil and gas. In the short to medium term, the oil services market in which the Issuer operates will be subjected to concerted pressure to reduce costs and to improve efficiency in response to continued low commodity pricing caused by oversupply and slackening demand. This could cause the Issuer to be more competitive in its pricing.

8.1.5 EMERGING MARKETS

Although the Group's revenue is primarily generated through its relationship with international and renowned oil and gas companies, the Group's operations are dependent on emerging markets. Emerging markets present economic and political conditions which differ from those of the more developed markets, thereby possibly resulting in less social, political and economic stability. Businesses in emerging markets may not be operating in a market-oriented economy as is generally associated with developed markets.

The Group's operations may be affected by uncertainties, such as political and diplomatic developments, social and economic instability, changes in government policies, taxation, high inflation, interest rates, exchange controls and other restrictions on the repatriation of capital, as well as other developments in the laws or regulations of such countries and, in particular, the risks of expropriation, nationalisation and/or confiscation of assets.

This risk has been experienced by the Group as a result of the conflict in Libya. The conflict and the aftermath thereof, including internationally imposed sanctions, has negatively affected the Group's operations in Libya in the past. The Issuer expects the political and security climate in Libya to remain volatile throughout 2016 and the risk of terrorist and insurgent attacks there remaining very high. Libya's appeal as a hub for foreign investment was limited prior to the civil war owing to key risks such as poorly-developed transport network, a large burden of red tape, and limited educational attainment. An escalation in fighting has side-lined a significant tranche of oil and gas production and has crippled exports from the country.

The opposing forces within the civil war have to date treated Libya's oil resources as a national asset extraneous to the conflict and have operated the inflows and outflows from this resource through one central bank. Any move by either side of the dispute to set up an alternative central bank for oil revenues could collapse one of Libya's last remaining and functioning national institutions, which will in turn cause additional pressure on the oil and gas industry in Libya.

8.1.6 LIMITED OPERATORS IN THE OIL AND GAS INDUSTRY

The oil and gas offshore exploration industry is dominated by a limited number of International Oil Companies (IOCs), the majority of which have an ongoing business relationship with the Medserv Group. In particular, the Mediterranean region is dominated by one major IOC, in respect of which the Medserv Group generates substantial business. Furthermore, it is common practice in the industry that such relationships are formalised on the basis of contracts of a relatively short term nature. The non-renewal of such relationships, in particular with respect to the dominant IOC present in the Mediterranean region, would have a negative effect on the Group when not otherwise countered by other long-term contracts.

8.1.7 DEPENDENCE ON KEY PERSONNEL

Medserv believes that its growth since inception is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term.

8.1.8 HEALTH AND SAFETY

The nature of the Medserv Group's business necessitates that adequate importance is given to maintaining compliance with international health and safety standards. The failure to comply with such standards could expose the Group to third party claims which could in turn have a material adverse effect on the Group's business and profitability.

8.1.9 THE GROUP'S INSURANCE POLICIES

The Group maintains insurance at levels it determines to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

8.1.10 INCREASED COMPETITION

Some of the Group's current and potential competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial and other resources than the Group. Therefore, significant competition and changes in economic and market conditions could adversely affect the Group's business and operating results.

8.1.11 FOREIGN EXCHANGE RISK

The Group's revenues are predominantly generated in Euro however in view of the continued efforts for the internationalisation of the Group's operations, a foreign currency risk may increase in regards to the Group's operating and reporting currency and the currency of certain costs and revenues.

8.1.12 TAXATION

The amount of taxation charged on the Issuer's activities is subject to changes in tax laws and their practical application.

8.1.13 FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy of the Issuer and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Issuer are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results

or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing. Potential investors are advised to read this Prospectus in its entirety and, in particular, the “Risk Factors” section hereof, for a further discussion of the factors that could affect the Issuer’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

8.1.14 EXTERNAL FACTORS

The Medserv Group’s overall performance and results may also be adversely affected by external factors beyond its control. These include changes in economic and geopolitical conditions, business cycles, volatility in financial markets and increased competitive pressure.

8.2 RISKS RELATING TO THE METS ACQUISITION

8.2.1 COMPLETION OF THE METS ACQUISITION

The METS Acquisition is subject to various conditions which may not be satisfied (or if permitted, waived), which in accordance with the SPA include:

- (a) the approval of the shareholders of the Issuer by the 23 February 2016, which approval was granted during the general meeting held on the 3 December 2015;
- (b) the Issuer raising sufficient financing for the settlement of the balance of the purchase consideration (that is, \$43,000,000) by the 16 February 2016 or such later date as may be agreed between the Issuer, Medserv M.E. Limited and the Sellers
- (c) the Sellers incorporating a holding company in the BVI for the purpose of transferring all of the shareholding in the METS Companies to the said holding entity;
- (d) the Sellers procuring that two of the senior management of the METS Companies agree to continue in employment for a period of two (2) years; and
- (e) the Sellers procuring that certain changes to the lease agreement entered into by METS Iraq over the site in Basra prior to the 23 February 2016 be completed.

There is no guarantee that these (or other) conditions will be satisfied (or waived), in which case the METS Acquisition will not be completed. Should completion not take place as a result of the Issuer not having fulfilled the condition set out in paragraph b) above, the Issuer will forfeit the deposit of \$3,000,000. On the other hand, if completion does not take place as a result of the Sellers not completing their conditions (barring that set out in paragraph (e) above), the Sellers shall be required to refund the deposit paid on signing of the SPA.

8.2.2 INTEGRATION OF THE METS COMPANIES WITHIN THE MEDSERV GROUP

The acquisition of the METS Companies by the Issuer represents a move into a different, but adjacent, sector of oil and gas services industry in markets which are new to the Medserv Group. There is a risk that the Medserv Group may not have fully understood the industry and geopolitical elements of operating within the Middle East, in particular Oman, UAE and Iraq - this may have a negative impact on the Group.

The Issuer may be unable to successfully complete or integrate future acquisitions into its business. The Group's future growth is, in part, expected to be attributable to the acquisition of the METS Companies. The success of METS Acquisition is dependent upon the integration of the operations of such business.

A successful integration of the METS Acquisition is generally dependant on the Group's ability to affect the necessary changes in operations or personnel resulting from the acquisition and may also expose the Group to new risks, including difficulties in integrating and operating the two businesses in geographies that are new to the Group, such as the Middle East market; difficulties integrating acquired businesses in a cost-effective manner; unforeseen legal, regulatory, contractual, employment or other issues or expenses arising out of the acquisition; potential disruptions to the Group's on-going business, including pressure on management's time and resources; or the failure of the business of the METS Companies to meet the Group's expectations or business plans.

The occurrence of any of these risks could have an adverse impact on the Group's growth, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

8.2.3 RISKS RELATING TO THE MARKETS IN WHICH THE METS COMPANIES OPERATE

The METS Companies are active in the steel pipe market associated with oilfield drilling. The three main products areas are storage of pipe, inspection and threading of Oil Country Tubular Goods (OCTG) with premium threads such as VAM® and API®. The volume of pipe handled is in direct proportion to the number of wells being drilled – both current and future. Traditionally, pipes are produced by the mills, and shipped to an area for immediate storage prior to the pipes being sold to the oil companies, drilling rig companies and other similar traders. This business model is vulnerable during market downturns where inventory is consumed but not replaced resulting in reduced pipe held in storage. Furthermore, the buyers may opt to have pipe delivered direct from mill to drill site, bypassing intermediate storage such as that provided by the METS Companies.

Additionally, with a downturn in demand, there is pressure on the mills to supply pipes at lower prices or to take capacity out of the market. The METS Companies would be negatively impacted should one of their main customers succumb to such financial pressure.

Furthermore, the METS Companies have operations in Oman, Iraq and Sharjah. Whilst Oman and Sharjah can be considered to be relatively developed countries, Iraq is plagued by conflict and by the ever-increasing control by the jihadists, particularly in the northwest of the country. This has plunged Iraq into a deep political and security crisis even though oil and gas production has not been directly disrupted. METS Iraq operates in Basra, located in the southern region of Iraq and which produces 90% of the country's oil. This area has in the recent past been relatively stable when compared to the northern part of Iraq but nonetheless, is considered to be a high-risk territory bringing with it a high risk of attacks, insurgencies and war. Any such events will have a direct and material impact on the result of METS Iraq.

8.3 RISKS RELATING TO THE SECURITIES

8.3.1 NO ASSURANCE OF ACTIVE SECONDARY MARKET IN THE SECURITIES

The existence of an orderly and liquid market for the Securities depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Securities at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Securities will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that holders of the Securities will be able to sell the Securities at or above the price at which they were issued or at all.

8.3.2 DISCONTINUATION OF LISTING

Even after the Securities are admitted to trade on the MSE, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Securities in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Securities if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Securities on the MSE. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Securities.

8.3.3 SUITABILITY

An investment in the Issuer may not be suitable for all recipients of this Prospectus and investors are urged to consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in any of the Securities before making an investment decision. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Securities and the inherent risks associated with the Issuer's business. In the event that an investor in the Securities does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her profile.

8.3.4 INVESTOR'S CURRENCY OF REFERENCE

The investor will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Securities and the holder's currency of reference, if different.

8.3.5 EFFECT OF FUTURE PUBLIC OFFERINGS/TAKEOVER/MERGER ACTIVITY

No prediction can be made about the effect which any future public offerings of the Issuer's Securities, or any takeover or merger activity involving the Issuer, will have on the market price of any of the Securities prevailing from time to time.

8.3.6 VALUE OF THE SECURITIES

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.

8.3.7 ISSUER'S SOLVENCY

The Shareholders and Bondholders assume the credit risk of Medserv p.l.c. as the Issuer of the Securities. In the case of insolvency of the Issuer, the holders of the Securities may suffer direct and materially adverse consequences, including loss of their entire investment.

8.4 RISKS RELATING TO THE SHARES

8.4.1 DIVIDEND

As a matter of Maltese law, a company can only pay dividends to the extent that it has distributable reserves and sufficient cash available for this purpose. The Issuer's ability to pay dividends in the future is affected by a number of factors, principally its ability to generate and receive income for such purposes, directly or indirectly, from its operating subsidiaries and associates. The ability of these entities to pay dividends and the Issuer's ability to receive such distributions is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws.

These laws and restrictions could limit the payment of dividends and distributions to the Issuer by its subsidiaries and associates, which could in turn restrict the Issuer's ability to fund other operations or to pay a dividend to holders of the existing Ordinary Shares or the New Ordinary Shares.

8.4.2 SHARE PRICE FLUCTUATION RISK

The market price of the New Ordinary Shares and/or the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the New Ordinary Shares, the Ordinary Shares and/or securities of other financial institutions. The fluctuations could result from national and global economic and financial conditions, the market's response to the Rights Issue, market perceptions of Issuer and various other factors and events.

8.4.3 DILUTION RISK

If a Shareholder does not take up the offer of New Ordinary Shares in the Rights Issue, his proportionate ownership and voting interests in the Issuer will be reduced and the percentage that the Shares will represent of the total share capital of the Issuer will be reduced accordingly. Even if a Shareholder elects to transfer the unexercised Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Issuer's share capital that may be caused as a result of the Rights Issue.

8.4.4 SECURITIES LAW RISK

Securities laws of certain jurisdictions may restrict Shareholders in exercising the rights attaching to their Ordinary Shares and participating in the Rights Issue.

8.5 RISKS RELATED TO THE BONDS

8.5.1 RANKING OF BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank equally, without any priority or preference among themselves and with other unsecured debt of each of the Issuer. Furthermore, subject to the negative pledge clause set out in the section 14.7 of this Prospectus, third party security interests are (including the Secured Notes already in issue) and may in the future be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

8.5.2 ADDITIONAL INDEBTEDNESS AND SECURITY

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

8.5.3 NO ASSURANCE OF ACTIVE SECONDARY MARKET IN THE BONDS

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control.

8.5.4 EFFECT OF FUTURE PUBLIC OFFERINGS/TAKEOVER/MERGER ACTIVITY

No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of any of the Bonds prevailing from time to time, including the METS Acquisition.

8.5.5 FIXED RATE BONDS

The Bonds bear a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate Bonds decline. Conversely, if market interest rates are declining, the price of fixed rate Bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

8.5.6 REINVESTMENT RISK

After redemption of the Bonds, the investor may only be able to reinvest the redemption proceeds at significant adverse conditions.

8.5.7 MINIMUM APPLICATION AND HOLDING

The minimum investment amount for the subscription of Euro Bonds is €50,000 per investor and of USD Bonds is \$55,000 per investor. Furthermore each investor is required to maintain a minimum holding of €50,000 / \$55,000, as the case may be, throughout the lifetime of his/her/its investment. This could affect the ability of Bondholders to sell the Bonds on the secondary market.

PART D

38

9.0 INFORMATION ABOUT THE ISSUER

9.1 STATUTORY AUDITORS

The Issuer's consolidated audited financial statements for the years ended 31 December 2012 to 31 December 2014 have been audited by KPMG of Portico Building, Marina Street, Pietà, PTA 9044, Malta. KPMG is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

9.2 HISTORY AND DEVELOPMENT OF THE GROUP

December 1974	• Medserv Limited (later renamed Medserv Operations Limited) was established as a joint venture between the Government of Malta and the Albert Abela Group.
May 1997	• Albert Abela Group took full ownership of Medserv Limited through the purchase of the Government of Malta's 65% shareholding; • Medserv Operations Limited entered into an emphyteutical grant for the period between 27 May 1997 to 2045 with the Freeport Authority for its own base and facilities within the confines of the Malta Freeport.
October 2001	• AD Holdings Limited (later renamed Medserv p.l.c.) was incorporated as a limited liability company in Malta.
November 2001	• Albert Abela Group granted an option to AD Holdings Limited to purchase their entire shareholding in Medserv Limited.
December 2001	• AD Holdings Limited acquired first tranche of shares in Medserv Limited, comprising 49% of its issued share capital.
April 2003	• Conclusion of reorganization of the management structure of Medserv Limited and transfer of activities from Manoel Island to the Malta Freeport.
November 2003	• AD Holdings Limited acquires second tranche of shares in Medserv Limited, comprising 51% of its issued share capital.
September – October 2006	• AD Holdings Limited changes name to Medserv p.l.c., and is converted to a public limited company. • The shareholders of Medserv p.l.c. make an initial public offering of 2.5million shares with a nominal value of Lm0.10c (€0.232937) in Medserv p.l.c., representing 25% of its issued share capital, for an offer price of Lm1.30 (€3.02819). • The IPO was taken up in full and the shares in Medserv p.l.c. were listed on the Official List of the Malta Stock Exchange.
February 2007	• Medserv Misurata F.Z.C., the first registered Free Zone Company in Misurata, Libya, set up as a joint stock company by Medserv p.l.c. (60%) and Misurata Free Zone Authority (40%).
August 2008	• Medserv International p.l.c., incorporated in Malta to acquire Medserv p.l.c.'s shareholding in Medserv Misurata FZC.
June 2012	• Medserv (Cyprus) Limited was awarded a licence to operate an oil and gas logistics base in Limassol.
December 2012	• Medserv Operations Limited signed a lease deed by virtue of which it was granted a lease for an additional 15 years up to 2060 subject to certain terms and conditions.

Additional information regarding the Issuer may be found below:

Legal and Commercial name:	Medserv p.l.c.
Company Registration Number:	C 28847
Date of Incorporation:	26 October 2001
Legislation of Operation:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Companies Act, Cap 386 of the laws of Malta
Registered Address:	Malta Freeport, Port of Marsaxlokk, Birzebbugia, BBG 3011, Malta
Place of Registration & Domicile:	Malta
Telephone Number:	+356 2220 2000
Fax Number:	+356 2220 2328
Email:	info@medservenergy.com
Website:	www.medservenergy.com

June 2013	Medserv (Cyprus) Limited was awarded a licence to operate an oil and gas logistics base in Larnaca, Cyprus.
August 2013	The Listing Authority granted approval to the Company for the admissibility to listing on the Official List of the MSE of the Secured Notes, the first series and tranche of which in the amount of €13,000,000 was successfully issued on the 30 August 2013.
November 2013	Redenomination and Share Split of the authorised and issued share capital of the Company from 20,000,000 ordinary shares of a nominal value of €0.232937 per share and 10,000,000 ordinary shares of a nominal value of €0.232937 per share respectively, into 50,000,000 ordinary shares of a nominal value of €0.10 each and 25,000,004 ordinary shares of a nominal value of €0.10.
January 2014	- Medserv (Cyprus) Limited secures multimillion contract with ENI Cyprus Limited for the performance of logistic support for the drilling programme of ENI Cyprus Limited offshore Cyprus commencing 1 June 2014. The services pertinent to this contract is served out of Medserv (Cyprus) Limited's base at the port of Larnaca, Cyprus. - The contract which was signed with ENI Cyprus Limited on the 28 January in Nicosia is effective on 1st June 2014 and covers a period of three years with an option to extend for a further period of two years. The award of this contract was highly significant to the Group as it served to shift the main line of income of the Group from Libya to the Eastern Mediterranean.
January 2014	- Medserv Operations Limited was awarded two competitive contracts to provide fully integrated logistical support services to two separate international oil companies operating offshore North Africa from its base in Malta. The two contracts were signed in the first quarter of 2014 and both are for a period of two years with the option of extending for another two years. - The two support contracts relate to the provision of services to multi-well programmes spread over the period covered by said agreements. Work is expected to start in the latter part of 2014.
April 2014	The second tranche of the Secured Notes in the amount of €7,000,000 was successfully issued by the Issuer.
July 2014	Launch of largest solar farm in Malta constructed over Medserv Malta shore base
December 2014	Increase of the open area at the Malta base to 93,600sqm.
August 2015	Establishment of port facility at Astakos, Greece.
October 2015	Entry into of the SPA for the METS Acquisition by Medserv M.E. Limited.

9.3 INVESTMENTS

9.3.1 THE ISSUER'S PRINCIPAL INVESTMENTS IN THE FINANCIAL YEARS 2012, 2013 AND 2014

In 2014, the Group constructed an 8,000 sqm warehouse at the Malta base. It also extended its facility area in Malta by leasing an additional 43,600 sqm of land in Hal Far and developing this site into a storage area for oil and gas equipment. These two investments, which amounted to €5.6million have been constructed in accordance with the high standards set by the oil and gas industry. The investment was required to support the growth of activity relating to the relocation of work from Libya to Malta.

In July 2013, the Group agreed to invest in Malta's first large scale solar farm to produce electricity for the national grid. Following an investment of €3.8million, the solar farm went live in July 2014. The solar farm is made up of 8,000 photovoltaic panels installed over an existing area of 20,640 sqm of warehouse roofing at the company's Freeport base. The solar farm generates 2.01 MW at peak power, which is sold to the national grid under a 20 year agreement. The system generates on average 9,600 kWh per day and saves over 3,100 tonnes of carbon emissions a year, the equivalent of 520,000 trees.

Following the successful award of a contract for the provision of operational support services to ENI Cyprus Limited in 2014, the Issuer set up a shore base facility in the port of Larnaca, Cyprus. This investment in property, plant and equipment and other assets amounted to €5.2million.

In year 2014 the Group purchased a fleet of 460 specialised cargo carrying units (CCUs) amounting to €5.7million, used to service the Issuer's contracts with oilfield clients in both Malta and Cyprus.

Furthermore, during the period 2012 to 2014 the Issuer strengthened its lifting equipment at the Malta base by purchasing two heavy lift cranes and one fork lifter. This investment amounted to €1.5million, the majority of which was incurred during 2012.

9.3.2 ISSUER'S PRINCIPAL INVESTMENTS IN PROGRESS

The Issuer is investing its resources to penetrate into new markets primarily Egypt, Portugal, Trinidad and Tobago and the Middle East. No major investment has been carried out or is in the progress of being carried out. Key management personnel are investing time and resources in participating in tenders and scouting the region for investment within the business of the Group. These investments are financed by the Issuer's internally generated cash flows.

9.3.3 ISSUER'S PRINCIPAL FUTURE INVESTMENTS ON WHICH ITS MANAGEMENT HAS ALREADY MADE FIRM COMMITMENTS

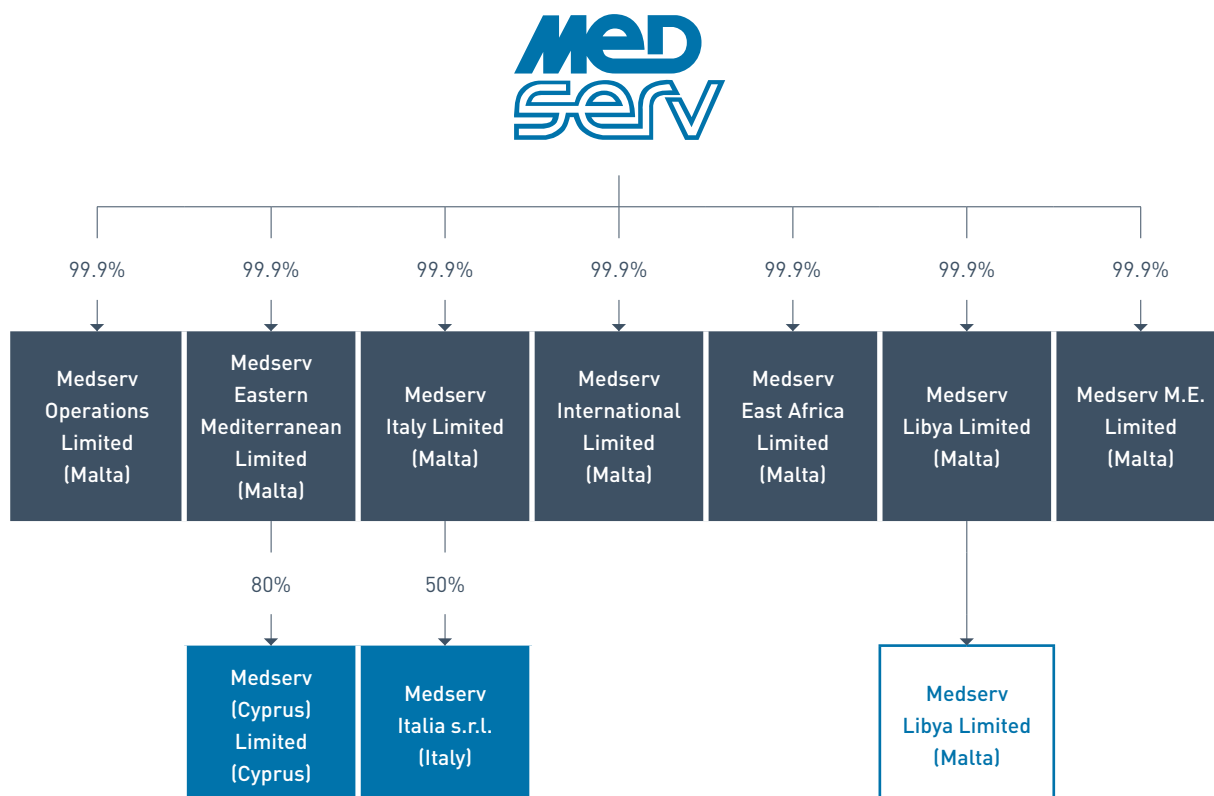
On the 8 October 2015, the Issuer and Medserv M.E. Limited entered into the SPA for the METS Acquisition for a purchase consideration of \$46.0million out of which the sum of \$3,000,000 (three million United States Dollars) was paid by way of deposit. The completion of the METS Acquisition is conditional, *inter alia*, on:

- (a) Medserv M.E. Limited procuring (i) the approval by the shareholders of Medserv p.l.c. of the METS Acquisition by the 23 February 2016 (which approval was granted by the shareholders during the general meeting held on the 3 December 2015) and (ii) the raising of financing for the purpose of settling the balance of the consideration due to the Sellers by the 16 February 2016; and
- (b) the Sellers procuring the (i) transfer of the METS Companies to a holding company to be incorporated in the British Virgin Islands and (ii) that two of the senior management of the METS Companies agree to continue in employment with the METS Companies for a period of 2 years.

Further details of the SPA can be found under the section entitled "Material Contracts".

9.4 ORGANISATIONAL STRUCTURE

As at the date of this Prospectus, the following is an organisation chart of the Issuer and includes the Issuer's percentage shareholding in the Subsidiaries.



The Issuer is the ultimate holding company of the Medserv Group and is thus dependent on the performance of all the Subsidiaries.

9.5 SELECTED FINANCIAL INFORMATION

The historical financial information of the Issuer is set out in the audited consolidated financial statements for each of the financial years ended 31 December 2012 to 31 December 2014. Set out below are summarised extracts from the consolidated financial statements of the Issuer for the years ended 31 December 2012 to 31 December 2014.

Medserv p.l.c. – Condensed Consolidated Statements of Comprehensive Income

For the year ended 31 December	2014	2013	2012
	€'000	€'000	€'000
Revenue	32,383	6,899	6,709
Results from operating activities	4,121	399	(987)
Profit/(loss) for the year	2,186	394	(378)
Earnings/(loss) per share*	7c7	1c5	(1c)

* Loss per share for the financial year ending 31 December 2012 has been amended to reflect the recalculation of earnings per share following the redenomination of the share capital of the Issuer.

Medserv p.l.c. - Condensed Consolidated Statements of Financial Position

As at 31 December	2014	2013	2012
	€'000	Restated €'000	Restated €'000
Total assets	80,836	58,909	50,469
Total equity	9,473	8,157	7,951
Total liabilities	71,363	50,752	42,518
Total equity and liabilities	80,836	58,909	50,469

The interim unaudited financial results of the Issuer for the six months ended 30 June 2014 and 2015 are set out below:

Medserv p.l.c. - Condensed Consolidated Statements of Comprehensive Income

For the period	1 January to 30 June 2015	1 January to 30 June 2014
	€'000	€'000
Revenue	26,927	9,514
Results from operating activities	5,277	910
Profit for the period	3,009	446
Earnings per share	11c4	1c6

Medserv p.l.c. - Condensed Consolidated Statements of Financial Position

As at	30 June 2015	31 December 2014
	€'000	€'000
Total assets	80,825	80,836
Total equity	10,823	9,473
Total liabilities	70,002	71,363
Total equity and liabilities	80,825	80,836

9.6 PROPERTY, PLANT & EQUIPMENT

The Group's tangible fixed assets as at 31 December 2012 to 2014 are summarized below:

Cost as at	Total	Buildings	Plant & Machinery	Other tangible fixed assets
	€'000	€'000	€'000	€'000
31 December 2014	29,575	8,182	16,523	4,870
31 December 2013	13,027	3,759	4,395	4,873
31 December 2012	9,221	3,685	4,161	1,375

Net Book Value as at	Total	Buildings	Plant & Machinery	Other tangible fixed assets
	€'000	€'000	€'000	€'000
31 December 2014	23,342	7,213	12,952	3,177
31 December 2013	8,331	2,900	5,026	405
31 December 2012	5,064	2,886	1,780	398

A further €2.4million of expenditure on property improvements, plant and equipment was undertaken during the six months ended 30 June 2015. Capital expenditure between 1 July 2015 and 30 September 2015 amounted to €0.2million.

The property, plant and equipment is located as follows:

Net Book Value as at 30 June 2015	Total	Buildings	Plant & Machinery	Other tangible fixed assets
	€'000	€'000	€'000	€'000
Malta	18,034	9,436	7,527	1,071
Libya	4	-	-	4
Cyprus	6,014	-	5,757	257
Total	24,052	9,436	13,284	1,332

The Group's major asset is the property rights in respect of land measuring circa 50,850sqm together with a quay (consisting of 239m of quays including circa 5,000sqm of wharf space and a right of passage of a further 1,600 sqm of wharf space) at the Malta Freeport within Marsaxlokk Bay. The rights and conditions over this property primarily emanate from the emphyteutical deeds between the Group and Malta Freeport Corporation. The property rights are held by the said company by title of temporary emphyteusis that expires on 29 May 2045 which were valued as at 31 December 2012 by an external valuer, in terms of, and with due regard given to, the Valuation Standards of the Kamra Tal-Periti (Chamber of Architects & Civil Engineers of Malta) and with The Royal Institution of Chartered Surveyors 'RICS Valuation – Professional Standards (March 2012)'.

The valuation of the property rights was carried out on the basis of market value on the assumption that the property rights could be sold subject to any existing third party obligations. Based upon publicly available data and comparable recent market transactions on an arm's length basis, together with the external valuer's analysis and experience in the local real estate market and information provided by the Group, it was the professional opinion of the external valuer that the market value of the above-mentioned property rights, as at 31 December 2012, amounted to €40,273,431.

On 19 December 2012, the Group and the Malta Freeport Corporation Limited entered into a public deed pursuant to which the Malta Freeport granted to the Group a lease over the Medserv Site for an additional period of 15 years from the date of expiry of the emphyteutical grants above described (i.e. 29 May 2045) and a right of use of the quays for such additional period.

9.7 OPERATING AND FINANCIAL REVIEW

The historical financial information of the Issuer is set out in the audited consolidated financial statements for each of the financial years ended 31 December 2012 to 2014. The said financial statements are available for viewing at the registered office of the Issuer and are also available on the Issuer's website www.medservenergy.com.

Set out below are summarised extracts from the consolidated financial statements of the Issuer for the financial years ended 31 December 2012 to 2014.

9.7.1 MEDSERV P.L.C. – CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December	2014	2013	2012
	€'000	€'000	€'000
Revenue	32,383	6,899	6,709
Cost of sales	(24,855)	(4,946)	(6,002)
Gross profit	7,528	1,953	707
Other income	243	40	21
Administrative expenses	(3,648)	(1,589)	(1,677)
Other expenses	(2)	(5)	(38)
Results from operating activities	4,121	399	(987)
Finance income	2	14	-
Finance cost	(1,079)	(281)	(165)
Net finance costs	(1,077)	(267)	(165)
Share of loss on jointly-controlled entity (net of tax)	-	-	(1)
Profit/(loss) before income tax	3,044	132	(1,153)
Tax (expense)/income	(858)	262	775
Profit/(loss) for the year	2,186	394	(378)
Profit/(loss) attributable to:			
Owners of the Issuer	1,937	387	(250)
Non-controlling interest	249	7	(128)
Profit/(loss) for the year	2,186	394	(378)
Earnings/(loss) per share*	7c7	1c5	(1c)

* Loss per share for the financial year ending 31 December 2012 has been amended to reflect the recalculation of earnings per share following the redenomination of the share capital of the Issuer.

9.7.2 MEDSERV P.L.C. – CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December	2014	2013	2012
	€'000	Restated €'000	Restated €'000
Assets			
Non-current prepaid operating lease (relating to the emphyteutical grant)	34,899	35,675	36,450
Other non-current assets	27,404	12,907	9,379
Current prepaid operating lease (relating to the emphyteutical grant)	776	776	776
Other current assets	17,757	9,551	3,864
Total assets	80,836	58,909	50,469
Equity			
Total equity	9,473	8,157	7,951
Liabilities			
Non-current portion of deferred income (relating to the emphyteutical grant)	34,899	35,675	36,450
Other non-current liabilities	21,213	12,589	980
Current portion of deferred income (relating to the emphyteutical grant)	776	776	776
Other current liabilities	14,475	1,712	4,312
Total liabilities	71,363	50,752	42,518
Total equity and liabilities	80,836	58,909	50,469

9.7.3 MEDSERV P.L.C. – CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 31 December	2014	2013	2012
	€'000	€'000	€'000
Net cash (used in)/from operating activities	(2,809)	(451)	533
Net cash used in investing activities	(13,421)	(3,537)	(1,233)
Net cash from financing activities	7,857	10,926	10
Net (decrease) / increase in cash and cash equivalents	(8,373)	6,938	(690)
Cash and cash equivalents as at 1 January	5,644	(1,316)	(585)
Effects on exchange rate fluctuations on cash held	2	22	(2)
Cash pledged as guarantee	39	-	(39)
Cash and cash equivalents as at 31 December	(2,688)	5,644	(1,316)

9.7.4 MEDSERV P.L.C. - ANALYSIS OF CONSOLIDATED REVENUES FROM THE GROUP'S THREE REPORTING SEGMENTS

The table below analyses the revenues generated by the Group's three reporting segments.

For the year ended 31 December	2014	2013	2012
	€'000	€'000	€'000
Malta operation	22,692	6,571	6,284
Cyprus operation	9,449	-	-
Libya operation	445	328	425
Total revenue	32,586	6,899	6,709

Malta operation:	Includes the provision of comprehensive logistical support services to the offshore oil and gas industry from Medserv's base in Kalafrana, Malta and income from the photovoltaic farm (which is classified as 'other income' in the Group's consolidated statement of comprehensive income).
Cyprus operation:	Includes the provision of comprehensive logistical support services to the offshore oil and gas industry from Medserv's base in Larnaca, Cyprus.
Libya operation:	Includes the provision of comprehensive logistical support services to the onshore and offshore oil and gas industry from Medserv's base in Misurata, Libya, as well as, the operation of a Libya branch with its office in Tripoli. The base in Misurata has since been closed.

In 2012, the Group's results were affected by the instability suffered in the Group's main market. Although the production of oil and gas from existing fields in Libya reached pre-war levels during this period, the expected recovery in exploration operations took longer than anticipated. During this year, the Group continued with its efforts to diversify and extend its product offering and market reach. A new maintenance unit was established, following which the Group successfully negotiated and subsequently awarded a number of contracts which were executed in 2012 and 2013.

Revenue in 2013 remained relatively unchanged when compared to the previous year, despite the difficult situation in Medserv's main market and the delay of certain contracts that were scheduled to commence in the second half of the year. In 2013, Libya remained an important market for Medserv however, the instability in the region persisted. In order to diversify its sources of income, the Group targeted the Eastern Mediterranean region where Medserv was awarded a multimillion Euro support services contract by ENI Cyprus Limited, which commenced in June 2014. Furthermore, during 2013 the Company invested €4.0million in the installation of a 2MWp photovoltaic farm making use of the extensive roofs found in its Malta base. The solar farm was implemented and started providing electricity to the grid on the 8 July 2014. This investment not only provides the Group with a stable flow of income for a number of years but is also considered as an investment towards sustainable energy production.

As a result of the Group's efforts to diversify and extend its product offering and market reach in the previous two financial years, 2014 marked a significant year in the Group's performance as revenue increased by 369% from €6.9million in 2013 to €32.4million in 2014. The upsurge in revenue was largely due to the commencement of major offshore drilling and maintenance operations out of Malta in the second half of the year and the start-up of the Cyprus base. This reflects the Group's ability to capitalise on business arising from offshore oil and gas activity within the Mediterranean rim countries. Furthermore, whilst operations at the Misurata base remained at a low level in 2014 due to the persisting situation in Libya, a skeleton management team of Libyan nationals was maintained. On the other hand, Medserv Libya Limited, through its branch in Tripoli, continued to perform well and secured contracts for the provision of back office administration services to Medserv's clients.

In 2012, Medserv experienced a loss in premium margins generated in the prior year from the provision of support services in a more complex and risky operating environment in Libya. The loss of such premium margins coupled with a further decrease in turnover arising from the fluid situation in the region resulted in a gross profit margin in 2012 of 11%. This was also impacted by an increase in Medserv's cost base as a result of the Group's effort to position itself to capitalise on the eventual upturn in business. Gross profitability in 2013 increased to 28%. This improvement was due to the purchase by the Company and subsequent use of its own equipment, as an alternative to leasing, and also to the shift in the Group's product mix to higher margin services. These services consisted of shore-base logistic services in anticipation of drilling campaigns that were scheduled to commence in the following year. In 2014, the Group's gross average profit margin decreased to 23% as a result of a proportionately larger increase in lower margin business.

Major line items within the administrative expenses category include wages and salaries, directors' remuneration, professional fees, and travelling expenses. In 2012, although Medserv was not experiencing the pre-war level of business, the Group maintained a level of operations in order to position itself to meet an eventual upturn in demand. In addition, given the downward trend in revenue earned from the North African region noted during the three year period to late 2012, the Group experienced an increase in its expenditure levels as part of its efforts to diversify and extend its product offering and market reach. These were the main drivers of additional administrative expenditure in 2012 which was maintained at the same level in 2013. In 2014, administrative expenses more than doubled as a result of the substantial increase in business experienced by the Group during the said year. Administrative expenses as a percentage of revenue decreased from 23% in 2013 to 11% in 2014 resulting in an improved net profit margin.

In 2012, the Group sustained its only loss (equivalent to circa €0.4million) over the three-year period under consideration. Despite this negative result, the Group continued with its significant capital investment programme, strengthened its management team and increased its marketing budget in anticipation of an upturn in business.

During the period under consideration, the Group implemented an investment programme covering plant and equipment at the Malta base (in 2012), commissioned the building of additional office space, made significant improvements to the Malta base yard (over and above ongoing annual maintenance), constructed the photovoltaic farm at the Malta base and set up a shore-base facility in Cyprus (in 2014). As at 31 December 2014, the Group held a deferred tax asset of €4.1million mainly consisting of investment tax credits.

During the period under consideration the Group declared dividends as set out in the table below:

Medserv p.l.c. – Dividends declared

As at 31 December	2014	2013	2012
	€'000	€'000	€'000
Dividend	1,400	600	-

In addition, during the said period the Group effected a drawdown of circa €4.3million out of its bank facilities and effected repayments of circa €3.9million. Furthermore, in 2013 the Group issued the first tranche of €13.0million notes of the €20.0million bond issue with the second tranche of €7.0million issued in 2014. These funds provided the Group with the liquidity needed to exploit opportunities as and when they arose and also to fund the Group's investment in particular equipment which yields significant profit margins, the improvements and/or developments at the Cyprus Base and the installation of the photovoltaic farm and related infrastructure.

In 2014 the Group changed its accounting policy on the recognition and measurement of an emphytheutical grant over industrial property forming part of the Malta Freeport at the Port of Marsaxlokk. Until 31 December 2013, the Group had been recognising the property rights conferred by virtue of the said grant as an operating lease and measuring these rights at a nominal amount in accordance with the Group's accounting policies on grants. On 31 December 2014 the Group elected to recognise the property rights and the grant at fair value. As a result, deferred income and an equivalent non-monetary asset (referred to as "prepaid operating lease") were initially recognised at fair value and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset using the income approach. The Group applied the change in accounting policy retrospectively and restated the comparative periods to recognise the fair value of the property rights as at grant date.

9.7.5 ISSUER'S INTERIM FINANCIAL RESULTS

The interim unaudited financial results of the Issuer for the six months ended 30 June 2014 and 2015 are set out below:

Medserv p.l.c. Condensed Consolidated Statements of Comprehensive Income

For the period	1 January to 30 June 2015	1 January to 30 June 2014
	€'000	€'000
Revenue	26,927	9,514
Cost of sales	(19,108)	(7,719)
Gross profit	7,819	1,795
Other income	290	19
Administrative expenses	(2,769)	(902)
Other expenses	(63)	(2)
Results from operating activities	5,277	910
Finance income	-	-
Finance cost	(775)	(346)
Net finance costs	(775)	(346)
Share of loss on jointly-controlled entity (net of tax)	-	-
Profit before income tax	4,502	564
Tax expense	(1,274)	(96)
Profit from continued operations for the period	3,228	468
Loss from discontinued operation, net of tax	(219)	(22)
Profit for the period	3,009	446
Profit attributable to:		
Owners of the Issuer	2,626	397
Non-controlling interest	383	49
Profit for the period	3,009	446
Earnings per share	11c4	1c6

Medserv p.l.c. Condensed Consolidated Statements of Financial Position

As at	30 June 2015	31 December 2014
	€'000	€'000
Assets		
Non-current prepaid operating lease (relating to the emphyteutical grant)	34,511	34,899
Other non-current assets	27,364	27,404
Current prepaid operating lease (relating to the emphyteutical grant)	776	776
Other current assets	18,174	17,757
Total assets	80,825	80,836
Equity		
Total equity	10,823	9,473
Liabilities		
Non-current portion of deferred income (relating to the emphyteutical grant)	34,511	34,899
Other non-current liabilities	22,647	21,213
Current portion of deferred income (relating to the emphyteutical grant)	776	776
Other current liabilities	12,068	14,475
Total liabilities	70,002	71,363
Total equity and liabilities	80,825	80,836

Medserv p.l.c. Condensed Consolidated Statements of Cash Flows

For the period	1 January to 30 June 2015	1 January to 30 June 2014
	€'000	€'000
Net cash from/(used in) operating activities	6,195	(849)
Net cash used in investing activities	(2,260)	(10,800)
Net cash (used in)/from financing activities	(1,260)	7,384
Net increase/(decrease) in cash and cash equivalents	2,675	(4,265)
Cash and cash equivalents at beginning of period	(2,688)	5,644
Effects on exchange rate fluctuations on cash held	-	8
Cash pledged as guarantee	-	39
Cash and cash equivalents at end of period	(13)	1,426

The table below analyses the revenue generated by the Group's three reporting segments.

Medserv p.l.c. Analysis of consolidated revenues from the Group's three reporting segments

For the period	1 January to 30 June 2015	1 January to 30 June 2014
	€'000	€'000
Malta operation	15,128	8,569
Cyprus operation	11,157	945
Libya operation	924	-
Total revenue	27,209	9,514

Malta operation: Includes the provision of comprehensive logistical support services to the offshore oil and gas industry from Medserv's base in Kalafrana, Malta and income from the photovoltaic farm (which is classified as 'other income' in the Group's consolidated statement of comprehensive income).

Cyprus operation: Includes the provision of comprehensive logistical support services to the offshore oil and gas industry from Medserv's base in Larnaca, Cyprus.

Libya operation: Includes the provision of comprehensive logistical support services to the onshore and offshore oil and gas industry from Medserv's base in Misurata, Libya, as well as, the operation of a Libya branch with its office in Tripoli. The base in Misurata has since been closed.

In the first half of 2015, the Group registered a 183% increase in turnover compared with that generated during the first six months of 2014. In particular, the significant improvement in turnover was the result of the provision of logistical support to offshore oil and gas drilling programmes in both North Africa and the Eastern Mediterranean region.

Throughout the initial half of 2015, the Malta base has continued to be the Group's main revenue generator. The base has undertaken a number of new types of engineering operations in addition to the routine activities carried out. Within this period the base continued to witness ongoing preparations in relation to offshore oil and gas projects in the Mediterranean, in particular those offshore Libya. The Malta base remains extremely busy and this has necessitated further expansion of the office block, in addition to that announced during the previous year. A further 13,600 sqm of land at Hal Far (in addition to the 30,000 sqm announced in the second half of 2014) has been obtained. The Group is continuing to increase its concentration on quality, health, safety and environment, as the sharp increase in turnover and in the complexity of a number of the Group's activities necessitate this as a priority. Finally, the solar farm at the Malta base has been providing electricity to the grid since the 8 July 2014.

During the first six months of 2015, the Cyprus base was the second most significant contributor to Group revenue. During this period, ENI Cyprus Limited has completed the drilling of the first two wells of a four well programme. ENI is currently studying the results and in the meantime Medserv (Cyprus) Limited has reduced its operating costs commensurate with the present reduced activity of ENI Cyprus Limited.

In view of the deteriorating situation in Libya, during the first few months of the current financial year activity at the Misurata base remained minimal. As a result, during the second quarter of 2015, the Group took the decision to close its base in Misurata. The Group reached an agreement with its equity partners in Libya, whereby the shares in Medserv Misurata Free Zone Company (of which the Group owned 60%) were transferred to its equity partners in exchange for a financial consideration and certain assets on the Misurata base (that have since been shipped over to Malta). Despite this, the Group believes that Libya will remain an important market and it is positioning itself to be able to reopen a land base at the first viable opportunity. The decision on location will reflect market considerations and the political and economic changes one may expect in the new Libya. Meanwhile, the Tripoli office remains active and has obtained an additional significant contract valued at €1.0million with the possibility to extend by a further €2.0million in 2016. This represents another maintenance project, further confirming the solid development of the maintenance unit set up last year.

Due to the growing shortage of quay space in Malta suitable for quayside operations, the Group has sought alternative facilities. It has been successful in locating a suitable port in Greece. The first vessel has already arrived and Medserv staff have been relocated to manage this new business in a new location for the Group.

The Group is continuing to actively search for additional opportunities particularly in Portugal, Egypt and the Middle East.

The Group's gross profit increased to over €7.8million (January to June 2014: €1.8million) benefitting primarily from a significant improvement in margins to 29% compared to 19% for the previous period. This is a result of a decrease in low margin business which formed a substantial portion of turnover in 2014, thus increasing overall profit margins.

Compared to the prior year's six-month period, the Group incurred higher administrative expenses in the first half of 2015, mainly due to increases in wages and salaries, professional fees and business development.

During the six months ended 30 June 2015, the Group achieved a profit before tax of €4.5million compared to a profit of €0.6million in the same period last year. After accounting for taxation and the loss on disposal of a discontinued operation amounting to €0.2million, the net profit for the period to 30 June 2015 amounted to €3.0million compared to a profit of €0.4million for the six-month period ended 30 June 2014.

During the six months ended 30 June 2015, the Group acquired assets with a cost of €2,395,603 (six months ended 30 June 2014: €11,250,737). This mainly consisted of base improvements and the acquisition of plant and equipment for the Malta base amounting to €2,235,407, which includes plant and equipment relocated from the Misurata base in Libya, following discontinued operations of Medserv Misurata FZC. The remaining capital expenditure related to buildings improvements, plant and equipment at the Larnaca base in Cyprus.

9.8 CAPITAL RESOURCES

The operations of the Medserv Group are financed through shareholders' funds, including its share capital and its internally generated profits that have been retained over the years, bank loans and overdrafts and medium-term listed Secured Notes.

Cash and cash equivalents included in the statements of cash flows in the consolidated financial statements of the Group comprise the following amounts:

Medserv p.l.c. – Cash and cash equivalents

As at	30 June 2015	31 December 2014	31 December 2013	31 December 2012
	€'000	€'000	€'000	€'000
Cash	2,448	1,116	5,644	531
Bank overdraft	(2,461)	(3,804)	-	(1,847)
Total cash and cash equivalents	(13)	(2,688)	5,644	(1,316)

The Group has the following facilities:

- (a) Bank loans which as at 30 June 2015 amounted to €2.0million. In September 2015, the Company availed of an additional bank loan of USD 2.4million to part finance the deposit payable in relation to the METS Acquisition. The carrying amount of the said USD loan as at 30 September 2015 amounted to €2.1million. These loans were secured by joint and several guarantees given by the Company and a second general hypothec given by a subsidiary.
- (b) General overdraft facilities, with a maximum total facility of €4.1million. €2.5million of these overdraft facilities are secured by a general hypothec over the Company's assets present and future and a special hypothec over the emphyteutical property situated at the Company's sites and buildings. The remaining €1.6million are guaranteed jointly and severally by the Company and Medserv Operations Limited. As at 30 June 2015 the Group had unutilised bank overdraft facilities of €1.6million.

The Group also has €20.0million listed Secured Notes which as at 30 June 2015 had a carrying amount in the Group's balance sheet of €19.7million. These Secured Notes bear interest at 6% per annum and are redeemable on 30 September 2023 with an early redemption option exercisable by giving a 30-day notice from 30 September 2020. These Secured Notes are secured by Medserv Operations Limited through a general hypothec and a special hypothec over its emphyteutical rights on the Medserv Site.

As at 30 June 2015, the Group also had a loan amounting to €1.3million advanced by a non-controlling interest. The loan is unsecured, bears interest at 6.25% per annum and is repayable by 15 September 2017. Since the date of the last published financial information, the Group has repaid a portion of the said loan, and the carrying amount as at 30 September 2015 amounted to €0.9million.

The key ratios for the financial years ended 31 December 2012 to 2014 are set out hereunder:

Medserv p.l.c. – Key ratios		2014	2013	2012
Interest cover (EBIT / Interest expense)	(x)	3.82	1.42	N/A
Current assets / Current liabilities ratio	(x)	1.22	4.15	0.91
Debt-to-equity ratio	(x)	0.73	0.61	0.29
Assets / Liabilities ratio	(x)	1.13	1.16	1.19

9.9 PRINCIPAL MARKETS & ACTIVITIES

9.9.1 PRINCIPAL ACTIVITIES

Medserv's core business is the provision of integrated logistics services to the oil and gas industry. The Group presently has facilities in Malta, Libya, Cyprus, Greece and Sicily, however, the facilities in Sicily are not yet operational.

Medserv operates to internationally recognised and certified standards and management practices for ethical compliance, quality, health, safety and environment. These standards are applied to all its operating locations which ensure the consistent delivery of excellence in operations. Medserv is ISO9001:2008 registered. The Group's HSSE Management System has been developed to both OSHAS18001 and ISO14001 standards. Its port operations are International Ship and Port Facility Security Code (ISPS) compliant and in line with ISO28000 Supply Chain Security Management. The Issuer is a member of the International Association of Drilling Contractors.

The oil and gas industry is divided into three major sectors: upstream, midstream and downstream. The upstream sector is also commonly known as the exploration and production (E&P) sector, which is the area in which Medserv is involved. The upstream sector includes the searching for potential underground or underwater fossil fuel, drilling of exploratory wells, and subsequently drilling and operating the wells that recover and bring the crude oil and/or raw natural gas to the surface.

Medserv has developed four principle product service lines in order to better meet client requirements, comprising:

- (i) Integrated offshore logistics;
- (ii) Engineering support services;
- (iii) Mixing and storage of drilling fluids; and
- (iv) Environmental services including power generation from solar.

(i) Integrated offshore logistics

Medserv has operated a logistics supply base from Malta for over 40 years. This base provides offshore logistics support from a duty free zone in Malta Freeport. The main services provided include a dedicated quayside, laydown yards and warehousing, transport, cranes, drilling fluids handling, bulk chemicals and specialised offshore cargo containers units (CCUs). The Malta base is a multi-user base supporting two major international oil companies and a number of smaller operators working in Maltese and Libyan waters.

In 2014, Medserv set up a new supply base and pipe yard in Cyprus to support the offshore Cyprus exploration drilling campaign of ENI Cyprus Limited. This is a full service supply base, yard warehouse and quayside facility. It was set up from a standing start in five months with help from local contractors and the secondment of trained staff from Malta. As part of the Group's social responsibility programme, Medserv recruited and trained local Cypriot workers in the duties and safety culture essential for operating a supply base.

The Group's base in Misurata, Libya was set up in 2007 as a multi user supply base. In 2015 Medserv exited the base due to the continued conflict in Libya. However, Medserv retains a presence in Libya through the operations of its branch office in Tripoli which handles contract administration for Schlumberger, Transocean and RANA Diving.

In every location the services are delivered through a well-trained and well-motivated workforce and management team of

- Experienced Specialist Operations Management,
- Experienced Port Stevedores, riggers, crane operators, warehouse operators, mechanics, administrators, and engineering personnel, and
- Experienced mud plant & mud mixing operators

Together with all the above, Medserv supports the handling of all personnel movements, health and safety requirements, supplies, procurement and all other support that a platform may need during an operation.

Included in the integrated offshore logistics services is the marine bunkering service. This consists of the provision of marine fuel on an *ad hoc* basis. This is a low margin but a high value commodity business. This is reported separately as '**Other Services**' in the table below to avoid distorting the underlying integrated offshore logistics business.

(ii) Engineering support services

Rigs and platforms require regular maintenance and regular certification. This work is done at the quayside and on location and Medserv has a growing business to support these activities. Since 2011 and in parallel with the stabilisation of the offshore Libyan logistics market, Medserv has developed this range of essential but non-critical engineering services which are provided to this market from Malta. This work has grown from Medserv's ability to work in offshore Libyan waters and remain compliant with local and international standards of financial diligence and ethics – a key requirement for many of the international contractors operating in the sector.

The types of engineering services now delivered to support services for offshore operations, includes welding and fabrication, inspection services, procurement, project management & personnel, dredging, painting and corrosion protection and Oil Country Tubular Goods (OCTG) and riser pipe maintenance and storage.

(iii) Mixing and storage of drilling fluids

Medserv has provided various drilling muds manufacture/mixing services in Malta since 1998. In 2009, the Issuer upgraded its two mud plants at its base in Malta to be able to cater for heavy-weight muds in addition to the normal weight water and oil based muds required by rigs operating in the deep waters offshore. Currently the Issuer provides one of the few multi-user facilities in the Mediterranean that is able to cater for high volumes and high density drilling fluids. The Group's drilling muds are primarily for the offshore Libyan market, but it has supplied drilling muds to Romania and to Tanzania from Malta.

Medserv's engineers have also implemented a unique production method not otherwise available in the region that maximises efficiency and drastically increases productivity and output in drilling muds manufacturing. All plants are operated by experienced personnel, who are responsible for the whole phase of the operation from cutting of bags to mixing and loading onto supply vessels. In 2015, Medserv made a proposal to National Energy Corporation of Trinidad to provide and operate a mud plant and bulks silos/ brine plant to Galeota port.

(iv) Environmental services

As part of the diversification strategy adopted in 2011, Medserv has invested in Malta's first large scale sustainable energy production unit, which uses photovoltaic panels to generate electricity that generates on average 9,600 kWh of electricity per day. Apart from helping Malta reach its commitment of renewable energy production, this generates new revenue for the Medserv Group by producing and selling energy into the national grid for a twenty-year period at a price secured under the tariff scheme regulated by subsidiary legislation S.L. 423.46. Medserv also provides waste management services for the receipt, handling and safe disposal of waste originating from offshore operations.

Medserv p.l.c. – Revenue by category of activity

For the year ended 31 December	2014	2013	2012
	€'000	€'000	€'000
Integrated offshore logistics	23,446	5,243	4,933
Engineering support services	-	1,582	910
Mixing and storage of drilling fluids	1,534	69	49
Environmental services (including PV farm)	258	5	12
Other services	7,348	-	805
Total revenue	32,586	6,899	6,709

Note: Income from the photovoltaic farm commenced during 2014, and is classified as 'other income' in the Group's consolidated statement of comprehensive income. Total income from the photovoltaic farm amounted to €203,810 during the year ended 31 December 2014.

9.9.2 PRINCIPAL MARKETS

The Medserv Group currently operates in the Central Mediterranean and Eastern Mediterranean geographic market. These markets include North Africa – Libya, Egypt and Tunisia in particular.

Central Mediterranean (Malta, Libya, Sicily)

The Group's head office is situated in Malta. The Group operates out of its shore base situated in the Malta Freeport where it enjoys a temporary emphyteusis expiring in 2045 and a lease commencing on the expiry of the emphyteusis and terminating in 2060. This location is ideal to service the oil fields and exploration operations taking place now and in the future in the central Mediterranean. Whilst a principal market of the Group is Libya, the vast majority of the turnover emanating from that country relates to work carried out on and from the Malta base. Clients being serviced regularly out of the base include Mellitah Oil and Gas, Eni NA, Halliburton, Schlumberger and Saipem.

The Malta base has been involved and is expected to continue to be involved in most of the major offshore activity that took place and will be taking place in the Central Mediterranean and North African regions. Whilst the current instability in North Africa has increased the importance of the Malta base as a safe haven out of which to service offshore activity, it will continue to act as an important base even when the situation in North Africa returns to normal as was indeed the case before the Arab Spring uprising and subsequent turmoil.

As a result of the unrest in North Africa and the withdrawal of some companies from the area a number of opportunities have presented themselves whereby the Group can expand its footprint in Libya. As a result, Medserv has taken new office premises in Tripoli and has registered a branch in Libya to participate in new activities.

The long term outlook for Libya, however, remains positive and it is expected that it will remain a principal market for the Group. A relatively small nation with a population of six million and with the largest reserves of fossil fuel in Africa, Libya has every chance of overcoming the current political and security difficulties being experienced post revolution².

Eastern Mediterranean (Cyprus, Greece, Egypt)

Sourcing additional contribution to revenue in the Group's geographic area became a priority with the continued problems after the war in Libya and the Arab Spring in North Africa. Consequently the Group targeted the Eastern Mediterranean – indeed, Medserv (Cyprus) Limited was awarded a multimillion Euro integrated support services contract by ENI Cyprus Limited. This is being delivered from the Issuer's new base in Larnaca, with operations commencing in June 2014. Although the initial exploration results have proved to be disappointing, the location of the base and the recent finds of large quantities of gas in the waters to the south and east of Cyprus will ensure that Cyprus will be a very significant contributor to Group revenues in the years ahead.

As a consequence of the downturn in offshore construction and development work, there is an emerging industry niche for the lay-up and storage of floating construction equipment and rigs, pipe lay barges and similar marine equipment. Medserv has successfully provided suitable port facilities in Greece for the safe anchorage of such vessels pending the upturn in the offshore construction market. The port in western Greece is also ideal as a logistics support base should there be a need to provide support services for any offshore drilling activities in the Ionian Sea.

Potential Development in Additional Markets

In addition to the above described markets, the Group's strategy includes the expansion of its services into additional markets, segmented as follows:

- Central Mediterranean/Adriatic – this includes Italy, Croatia, Montenegro and Albania as additional offshore markets
- Eastern Mediterranean – this includes Egypt and Lebanon
- East Africa – this includes Tanzania, Mozambique and Kenya
- Caribbean – this includes Trinidad
- Middle East – this includes U.A.E., Oman and Iraq as both offshore and onshore additional markets.

² The statements made in this paragraph are based on the information reported by the EIA, the US Energy Information Agency (<http://www.eia.gov/beta/international/analysis.cfm?iso=LB>), the UN News Report dated 17 June 2015 (<http://www.un.org/apps/news/story.asp?NewsID=51183#.VktbCHarTlU>) and the World Bank Report on Libya dated 30 September 2015 (<http://www.worldbank.org/en/country/libya/overview>).

Central Mediterranean/ Adriatic

The Italian Government lifted the ban on offshore production drilling in 2012, imposed after the Macondo Oil Spill in 2010, and a further relaxation occurred in 2014 which allowed exploration drilling to proceed again. The Italian government has expressed its intention to implement a National Energy Strategy which aims to double domestic hydrocarbon production by year 2020. It is clear that the Italian Government sees the upstream sector as a potential key source of jobs, growth and energy security and intends to take active steps to improve the regulatory landscape to encourage and facilitate investments and development. The Italian Government is developing a number of actions to reach this target; it has recently developed a new legislation in line with European standards (the so called 'Restart Italy') and is developing new regulation for the safety of offshore operations in line with the relevant EU Directive.

Concurrently with these Italian initiatives, the State Oil Agencies of both Croatia and Montenegro proceeded to with license rounds for offshore blocks and permits in their sectors of the Adriatic. Supporting this renewed interest in the under-explored Adriatic, is the work done by Spectrum who have completed an extensive re-working of historical seismic data and the acquisition of new 2D data sets in 2013. This work allows better visibility of possible subsea structures and geological systems that may contain large deposits of hydrocarbons. Several oil companies have shown interest in acquiring exploration and development licenses in the area, including current clients of Medserv. The northern part of the Adriatic contains proven oil and gas systems that are today being exploited. For this reason, the focus for Medserv is on the relatively under-explored Southern part of the Adriatic where there are several ports that could be utilised as supply bases to support this offshore drilling activity.

Eastern Mediterranean

The Eastern Mediterranean is currently one of the most important areas for exploration and a key expansion target for Medserv. The region includes Israel, Cyprus, Lebanon, Egypt, Greece and Turkey. Medserv has set up a base in Larnaca, Cyprus and has been awarded an important contract to support the offshore exploration programme. The area to the south and west of Cyprus has witnessed the finding of a large world class find of gas by Noble Energy's Aphrodite field with an estimate of 4.5 trillion cubic feet (tcf) of gas in place. In close proximity to this find in Israeli waters are the Leviathan (22 tcf gas in place) and Tamar (10 tcf gas in place) fields, and to the south in Egyptian waters is the very recent find called Zohr which has been discovered by ENI. The Zohr find is one of the largest gas finds ever with an estimated 30 tcf gas in place, and is being fast-track developed. Zohr has the capacity to transform the energy picture in the region, providing sufficient gas to the Egyptian domestic market and having excess capacity available for export either by pipeline or through Liquefied Natural Gas (LNG) liquefaction. The development of the gas by each country and in the region is the subject of much political debate as to the most appropriate method of monetising these major finds. The positioning of Medserv in Cyprus puts it in a prime position to profit from the expected significant increase in activities in this region.

The Zohr find has thrown a timely focus on the important offshore oil and gas activities in the Nile Delta offshore Egypt and the need for additional logistics support services of the type provided by Medserv. Further, there is the possibility of using the Cyprus operations as a springboard to operating a base in Lebanon where Medserv is in discussion with possible Lebanese partners who have access to quayside in two ports close to the likely key areas of offshore exploration. Whilst it is not expected that drilling activity will commence before 2018, the presence of Medserv in Cyprus lends strength to the proposition that the Group positions itself to act as a regional base in a manner similar to that adopted in Malta where its base services support operations in a number of countries in the Central Mediterranean.

East Africa

Offshore Tanzania and Mozambique provide the potential for the development of a number of supply-bases to support the development of the large gas finds made to date. In 2013, Medserv joined forces with a very substantial international company and tendered for a three year contract in Tanzania to manage and operate a base to serve the offshore industry. Medserv was short-listed to the final two. Although unsuccessful, it did demonstrate that Medserv can compete in the context of international tenders in new territories. In the intervening time there has been limited drilling activities offshore in the region, however the opportunity to re-tender for this work may present itself in 2016.

Caribbean

The oil industry in Trinidad in the Caribbean is one of the oldest oil regions in the world dating back to the 1850's. Trinidad has one of the world's largest installed capacities for LNG processing fuelled from many offshore gas fields to the North West and South East of the island. Following Medserv's exploits in Tanzania and encouraged by one of the oil majors, Medserv has been included on BP's global list of approved logistics contractors, and is currently working with BP on providing a proposal to provide integrated logistics services for a number of offshore platforms and drilling activities.

9.10 THE METS ACQUISITION

Medserv has a long-standing strategy to diversify its geographical and service offering to the oil and gas offshore industry. The opening of the new supply base in Cyprus in 2014 is an important step in the delivery of this strategy. However, relying solely on shore bases leaves Medserv's growth uncertain as large logistics opportunities appear at infrequent intervals and possibly in jurisdictions not serviced by Medserv.

Following the uprising in Libya, efforts were renewed to find alternative work within the oil & gas sector. This diversification was successful in bringing in several maintenance and inspection related contracts which helped stabilize the Group and introduced a number of new service lines to Medserv's service offering. One area identified in 2012 was that of OCTG pipe storage and inspection. The emergence of these engineering services fall into the low-risk but essential category and are seen as giving Medserv an ideal platform for controlled growth going forward.

With the growing security risks associated with the offshore Libya work, and the continued importance of the Middle East for oil production, Medserv has focused on the Middle East for further engineering services opportunities. In 2013 the METS Companies were put up for sale by the Sellers. The METS Companies operate in the OCTG market providing an integrated approach to OCTG handling, inspection and repairs based in three Middle East locations, namely:

- Hamriyah Free Zone, Emirate of Sharjah, UAE – offering handling and storage, inspection and machine shop services;
- Khor Al Zubair, Basra, Iraq – offering handling and storage, inspection and machine shop services;
- Sohar Free Zone, Sultanate of Oman – offering handling and storage and inspection services.

The handling and storage services in the UAE and Oman represent a major source of revenue to the METS Companies – a service that is also a core competence within the Medserv Group. Additionally, the METS inspection services fit in well with Medserv's aspirations and previous skills. The machine shops in UAE and Iraq provide a high margin step-out into a complimentary service area for Medserv and an excellent growth prospect for the existing and new clients to Medserv. The METS Companies are a strong regional player with limited competition due to it holding VAM® and API® licenses.

The Board of Directors of the Issuer believe that the METS Acquisition will provide Medserv with a better-balanced oil services offering in two major niche markets, that is, offshore logistics and engineering services, which represent a low-risk but essential service to the industry.

Furthermore, following the METS Acquisition, the Medserv Group will have operations in two main geographical locations: the Mediterranean Basin and Middle East and will have a more diverse blue-chip client base. This base and its implied recognition will enable the Group to cross-sell its services to clients which prior to the METS Acquisition would not have been possible.

The METS Acquisition is subject to a number of conditions incumbent on the Sellers and the Company, including the raising of finance to settle the balance of the purchase consideration of \$46,000,000. In the event that the conditions are not completed, the SPA shall terminate and the shares in the METS Companies will not be transferred to the Medserv Group. Depending on the cause of the early termination, the Company could be required to forfeit the deposit of \$3,000,000.

9.10.1 METS COMPANIES – SELECTED FINANCIAL INFORMATION

The METS Companies compile annual financial statements for each of the individual entities namely, METS Oman, METS Iraq and METS, in accordance with International Financial Reporting Standards and are presented in United States Dollar ('USD') except for the financial statements of METS Oman which are presented in Rial Omani ('RO').

The METS Companies do not prepare consolidated financial statements, however, for the purposes of this transaction, the METS Companies prepared combined financial statements for the financial year ended 30 April 2015 including comparatives for the previous financial year.

Both the financial statements of the individual METS Companies and the combined financial statements referred to above have been audited in accordance with International Standards on Auditing.

Extracts from the audited financial statements of each of the METS Companies for the financial years ended 30 April 2013 to 2015 are set out below. The figures presented for METS Oman have been converted to USD using the effective exchange rate of 0.3817RO:1USD, which represents the rate at which the Rial Omani is pegged to the United States Dollar less conversion costs.

OMAN OPERATION**Middle East Tubular Services LLC (FZC) – Extracts from Statements of Comprehensive Income**

For the year ended 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
Revenue	8,606	7,818	7,077
Results from operating activities	3,545	3,147	2,642
Profit before tax	3,651	3,205	2,579
Profit for the year	3,651	3,205	2,579

Middle East Tubular Services LLC (FZC) – Extracts from Statements of Financial Position

As at 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
ASSETS			
Non-current	1,600	1,360	1,435
Current	9,218	5,524	2,729
Total assets	10,817	6,884	4,165
EQUITY			
Total equity	9,567	5,916	2,710
LIABILITIES			
Non-current	47	26	11
Current	1,203	942	1,443
Total liabilities	1,250	968	1,454
Total equity and liabilities	10,817	6,884	4,165

Middle East Tubular Services LLC (FZC) – Extracts from Statements of Cash Flows

For the year ended 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
Net cash generated from operating activities	1,204	675	1,592
Net cash used in investing activities	(391)	(653)	(1,038)
Net cash (used in)/generated from financing activities	-	(13)	24
Net movement in cash and cash equivalents	814	8	577
Cash and cash equivalents at beginning of year	585	577	-
Cash and cash equivalents at end of year	1,399	585	577

Note: Certain figures in the above tables may not add up due to rounding differences

IRAQ OPERATION

Middle East Tubular Services (Iraq) Limited – Extracts from Statements of Comprehensive Income

For the year ended 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
Revenue	8,934	10,650	7,844
Results from operating activities	825	2,322	3,366
Profit before tax	799	2,162	3,206
Profit for the year	799	2,162	3,206

Middle East Tubular Services (Iraq) Limited – Extracts from Statements of Financial Position

As at 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
ASSETS			
Non-current	8,595	8,797	9,061
Current	2,919	1,879	2,719
Total assets	11,513	10,676	11,780
EQUITY			
Total equity	4,159	3,360	1,199
LIABILITIES			
Non-current	6,502	6,403	9,505
Current	853	912	1,076
Total liabilities	7,354	7,316	10,581
Total equity and liabilities	11,513	10,676	11,780

Middle East Tubular Services (Iraq) Limited – Extracts from Statements of Cash Flows

For the year ended 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
Net cash generated from operating activities	494	3,645	3,424
Net cash used in investing activities	(693)	(549)	(5,505)
Net cash generated from/(used in) financing activities	98	(3,102)	2,236
Net movement in cash and cash equivalents	(101)	(6)	156
Cash and cash equivalents at beginning of year	172	178	22
Cash and cash equivalents at end of year	71	172	178

Note: Certain figures in the above tables may not add up due to rounding differences

SHARJAH OPERATION**Middle East Tubular Services Limited – Extracts from Statements of Comprehensive Income**

For the year ended 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
Revenue	13,615	13,452	14,496
Results from operating activities	(1,396)	(51)	876
Profit before tax	(1,423)	(198)	796
(Loss)/profit for the year	(1,423)	(198)	796

Middle East Tubular Services Limited – Extracts from Statements of Financial Position

As at 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
ASSETS			
Non-current	9,734	10,247	13,667
Current	5,699	4,252	3,931
Total assets	15,433	14,499	17,598
EQUITY			
Total equity	7,214	8,645	8,842
LIABILITIES			
Non-current	529	457	4,683
Current	7,690	5,398	4,073
Total liabilities	8,219	5,854	8,755
Total equity and liabilities	15,433	14,499	17,598

Middle East Tubular Services Limited – Extracts from Statements of Cash Flows

For the year ended 30 April	2015	2014	2013
	\$'000	\$'000	\$'000
Net cash (used in)/generated from operating activities	(818)	94	964
Net cash (used in)/generated from investing activities	(476)	(857)	313
Net cash generated from/(used in) financing activities	1,895	1,982	(1,600)
Net movement in cash and cash equivalents	602	1,219	(323)
Cash and cash equivalents at beginning of year	1,327	108	431
Cash and cash equivalents at end of year	1,929	1,327	108

Note: Certain figures in the above tables may not add up due to rounding differences

Extracts from the combined audited financial statements of the METS Companies for the financial year ended 30 April 2015 including comparatives for the financial year 2014 are set out below.

THE COMBINED METS COMPANIES

Extracts from Combined Statements of Comprehensive Income

For the year ended 30 April	2015	2014
	\$'000	\$'000
Revenue	24,058	26,681
Results from operating activities	3,080	5,488
Profit before tax	3,027	5,168
Profit for the year	3,027	5,168

Extracts from Statements of Financial Position

As at 30 April	2015	2014
	\$'000	\$'000
ASSETS		
Non-current	13,362	13,937
Current	10,616	7,394
Total assets	23,978	21,331
EQUITY		
Total equity	20,745	17,725
LIABILITIES		
Non-current	576	483
Current	2,657	3,123
Total liabilities	3,234	3,606
Total equity and liabilities	23,978	21,331

Extracts from Statements of Cash Flows

For the year ended 30 April	2015	2014
	\$'000	\$'000
Net cash generated from operating activities	3,281	7,599
Net cash used in investing activities	(1,459)	(1,561)
Net cash used in financing activities	(508)	(4,818)
Net movement in cash and cash equivalents	1,314	1,221
Cash and cash equivalents at beginning of year	2,084	863
Cash and cash equivalents at end of year	3,399	2,084

Note: Certain figures in the above tables may not add up due to rounding differences

9.11 TREND INFORMATION

The long term demand for oil remains strong, as reported in the latest Energy Outlook published by BP in February 2015, and supported by World Bank and IMF forecasts in July 2015³. Improvements in technology is making exploration and extraction of oil and gas possible in areas of the world which until recently were considered difficult or environmentally unsafe.

The demand for gas as the fuel of choice for power generation and to replace nuclear, post Fukushima, remains strong. Demand for LNG is expected to grow in the mid-term, particularly in the important Asia-Pacific, European and North American markets. The success of the US-led shale gas boom has changed the supply dynamics for LNG gas markets around the globe. With the U.S. now largely self-sufficient in gas, this has created a change in the LNG supply market towards the Asia-Pacific region that accounts for two-thirds of global LNG demand. Many North American LNG projects are on hold or abandoned with little prospects of completion. Europe remains reliant on Russian gas as North Sea supplies are depleting, prompting EU countries to seek alternative sources from Southern Europe, North Africa and the Caspian.

The recent fall in the oil price, from highs of more than US\$100 per barrel from 2011 to mid-2014, to US\$40-50 today has had little immediate effect on the demand for oil. Indeed, analysts are in broad agreement that the impact of such a decline has been favourable for the global economy and oil-consuming nations, while both the oil-producing countries and oil companies are the losers. The most visible impact of a decline in the oil price on the industry is shrinking profitability, which in turn translates into lower capital spending, low-yielding petroleum projects are shelved, others deferred, while thousands of jobs have been lost.

Lower oil prices, however, can be an opportunity for the oil companies, as it shifts the bargaining power in their favour at the negotiating table with host governments. Today's lower oil prices have pushed some governments to implement lower tax regimes and improved terms for oil and gas extraction contracts. This is most notable in countries which have been struggling to increase production and attract investment, particularly those recovering from war or radical change in Government philosophy and direction following the Arab Spring.

Medserv has been a major benefactor from the post-Gaddafi regimes in Libya since much of the offshore support for the oil and gas industry has relocated to Malta and is serviced by Medserv.

There has been a flight by oil producers towards "easy oil", that is, known-oil provinces on-shore, and deferral from the more exotic and expensive exploration projects and locations. Medserv is targeting its short to medium growth on such easy-oil locations.

There has been no material adverse change in the prospects of the Issuer since 31 December 2014, being the date of its last published audited financial statements.

³ The said information has been extracted from:

(i) BP's energy outlook for 2035 as produced on their website: <http://www.bp.com/en/global/corporate/energy-economics/energy-outlook-2035.html>,
(ii) the worldbank July 2015 Commodity Markets Outlook as produced on their website: http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1304428586133/GEP2015c_commodity_Jul2015.pdf; and
(iii) the IMF July 2015 forecasts as produced on their website: <http://www.imf.org/external/np/res/commmod/index.aspx>

9.12 BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The principal purpose of the Issuer's Board is to provide the required leadership, to set the present and future strategy and to ensure proper oversight and accountability. The Board of the Issuer currently comprises five directors, three of which occupy a non-executive position. All of the Directors of the Issuer were elected by the shareholders at the annual general meeting. Unless they resign or are removed, the Directors hold office up until the end of the annual general meeting next following their appointment.

The presence of the executive Directors on the Board is designed to ensure that the Board has direct access to the individuals having the prime responsibility for the executive management of the Group and the implementation of approved policies. The following are the Directors and members of executive management team of the Issuer:

BOARD OF DIRECTORS:

Anthony S. Diacono	Chairman & Executive Director
Anthony J. Duncan	Executive Director
Joseph FX Zahra	Non-Executive Director
Joseph Zammit Tabona	Non-Executive Director
Charles Daly	Non-Executive Director

EXECUTIVE MANAGEMENT TEAM:

Godwin Borg	Group Chief Operating Officer
Karl Bartolo	Group Financial Officer
Godfrey Attard	General Manager, Cyprus
Wayne Wrigley	Group Quality, Health, Safety and Environment Officer
Neil Patterson	Group Strategic Development Officer

The business address of all of the Directors and members of the executive management team is the registered office of the Issuer. A list of all past and current directorships of Board members is set out in Annex IV of this Prospectus. Below is a short curriculum vitae of each of the Directors.

DIRECTORS:

Anthony S. Diacono

Anthony S. Diacono has been a director of the Issuer since inception in 2001 and of Medserv Operations Limited since 1997. He has held several posts as Chairman, C.E.O. or director in both the public and private sector. He brings to the Group his experience obtained in Malta and overseas in both the manufacturing and service sectors. Mr. Diacono is also active with the Constituted Business Organisation in Malta and was President of the Malta Federation of Industry between 1992 and 1993. As of April 2010, Mr. Diacono also sits on the board of directors of CommBank Europe Limited and was appointed Chairman as from 1 July 2012.

Anthony J. Duncan

Anthony J. Duncan has been a director of the Issuer since inception in 2001 and of Medserv Operations Limited since 1987. He has held senior posts with European and U.S. companies including bankers Kleinwort Benson Limited and American Express International Banking Corporation and became Group Treasurer of Hertz Europe Limited. For 19 years from 1982 until 2001, he held the post of Group Treasurer of Albert Abela Group, previous owners of Medserv Operations Limited serving on the board of directors of a number of the Group companies.

Joseph F.X. Zahra B.A. (Hons) Econ., M.A. (Econ.), FCIM, MMRS

Joseph F.X. Zahra has been a director of the Issuer since 2006. He is an economist and founding partner and Managing Director of MISCO, the independent consulting group operating in Malta, Italy and Cyprus. He has a wealth of practical board experience gained from over many years of leading organisations in the private and government sectors in both an executive and non-executive director capacity. He has a long history of working effectively with chairs, directors and senior executives to improve corporate performance. He has been a consultant and board facilitator in the corporate world, for over 25 years guiding executives in changing the way they do business, using new technologies and business models. He has addressed numerous seminars on industrial development, managerial economics, financial services and management all over Europe as well as in North America, consulting companies and organizations across a diverse range of industries and professions. He is a former director of the Central Bank of Malta, former chairman of Bank of Valletta p.l.c., Go p.l.c. and Mapfre Middlesea p.l.c. as well as Chairman of the National Commission for Higher Education. In 2005 he was appointed by the Prime Minister of Malta as the Chairman of the National Euro Changeover Committee. He sits on a number of boards of directors of both private and listed companies operating in financial services, oil services, transportation and accommodation.

Joseph Zammit Tabona FCA, CPA, FIA, FMIT, KM

Joseph Zammit Tabona has been a director of the Issuer since 2014. He is a fellow of the Institute of Chartered Accountants in England and Wales, a fellow of the Malta Institute of Accountants, a fellow of the Institute of Taxation and holds a warrant to practice as a Certified Public Accountant. He has also held the appointment of High Commissioner to the Court of St James's of the United Kingdom and non-resident Ambassador Extraordinary and Plenipotentiary to the Republic of Ireland. He is currently appointed a Special Envoy to the Prime Minister of Malta for investment promotion. On 1st August 2013 Mr Zammit Tabona was appointed a director of Klesch Group Limited being responsible for government affairs. Also on 1 August 2013 he was appointed Chairman of the Valletta Cruise Port plc. On the 28 February 2014 he was appointed a non-executive director of Medserv p.l.c. He has also held other directorships from both within the private and public sector. His experience in public practice and his active involvement in both the public and private sectors in recent years have enabled him to develop a deep understanding of the needs of all sectors of local industry.

Charles Daly

Charles Daly has been a director of the Issuer since 2014. He has spent a lifetime in the downstream oil business, working for many years in BP and Ultramar, initially in research then in logistics and refinery supply and subsequently in developing business internationally. As well as working in the Netherlands, USA and Canada, he has in more recent years been based in London, where he has held senior management positions in a number of companies in the refining, supply/logistics, shipping and oil trading sectors. An international oil market expert and consultant to established and emerging companies, he is a recognised authority on oil supply markets in the Middle East, the Mediterranean and Russia. He has also been actively engaged in many business restructuring projects around the world. Mr Daly has extensive knowledge of financing and of legal matters pertaining to the oil industry and he is regularly called upon to serve in court as an expert witness in legal cases. He was a founder member, and the first vice-chairman, of the UK's International Petroleum Exchange and he has lectured on a wide range of oil-related subjects all over the world.

EXECUTIVE MANAGEMENT TEAM:

Godwin Borg (Group Chief Operating Officer)

Godwin Borg is an architect and civil engineer by profession. He graduated from the University of Malta in 1973 and joined the Group in 1995 after having spent over twenty years as a project manager in the oil industry in Libya. In 2002, he was appointed General Manager in charge of the operations of Medserv Operations Limited. In 2007, Mr. Borg was appointed Group Chief Operating Officer. His term of office is indefinite.

Karl Bartolo (Group Financial Officer)

Karl Bartolo is a Certified Public Accountant and Auditor by profession. He graduated from the University of Malta in 2001 with a Bachelors of Accountancy (Hons.) and commenced his career with KPMG as an audit assistant. In 2003 he was promoted to audit senior and in 2005, he was offered the position of financial controller with Mellieha Bay Hotel & Comino Hotels and Bungalows. In 2008, Mr. Bartolo joined the Medserv Group as Group Financial Controller. He also serves as a director on the board of several Medserv Group companies. His term of office is indefinite.

Godfrey Attard (General Manager, Cyprus)

Godfrey Attard is a mechanical engineer by profession. He graduated from the University of Malta in 1985 with a Bachelors of Mechanical Engineering. He joined the Medserv Group in 2007 as General Manager, Libya a position he held until February 2014, when he took up the position of General Manager, Cyprus. Mr. Attard is responsible for the operations of the Group in Cyprus and the development of the Group's presence therein. His term of office is indefinite.

Wayne Wrigley (Group Quality, Health, Safety and Environment Officer)

Wayne Wrigley spent the past 8 years in the Oil and Gas Production industry, with 5 years as a Corporate Regional Manager responsible for Floating Offshore Production Facilities in the Asia Pacific region. His experience in the offshore and marine industry has been gathered within the drilling, offshore construction and FPSO facility operational sectors, where risk identification, risk mitigation, process and system compliance and regulatory regimes are at the forefront. Prior to this, Mr Wrigley spent 20 years in the Emergency Services sector. Wayne Wrigley joined Medserv in 2015 on an indefinite contract.

Neil Patterson (Group Strategic Development Officer)

Mr Patterson holds the post of Group Strategic Development Officer. He has a B.Sc degree in Chemical Engineering with first class honours from Heriot Watt University. His roles include the introduction, development and execution of new geographic areas of business to the Medserv Group beyond the Group's current principal markets. Mr Patterson has many years' experience at a senior level with companies within the oil and gas industry including Asco Group, where he held the post of Vice President Strategic Development, Exel plc as Supply Chain Director Energy Sector, and BP plc as Plant Manager Polythene. Neil Patterson joined Medserv in 2014 on a definite three (3) year contract of employment.

9.13 DECLARATION

Save as set out hereunder, none of the above members of the Board and the executive management team has:

- (a) any convictions in relation to fraudulent offences for at least the previous five (5) years;
- (b) been associated with any bankruptcies, receiverships or liquidations for at least the previous five (5) years;
- (c) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five (5) years.

Mr Joseph FX Zahra held the position of non-executive director of an insurance company operating in Italy and named Progress Assicurazioni SpA. In February 2010, the board of directors of the said company advised the *Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo* (ISVAP), the Italian insurance business regulatory authority, that in its view the said company should cease writing new business forthwith, and should commence the process of an orderly winding up. On the 10 February 2010, ISVAP appointed a provisional administrator and on the 30 March 2010 ISVAP announced that it placed the said entity in compulsory administrative liquidation. Mr Zahra resigned from his post as director on the 16 February 2010.

9.14 CONFLICTS OF INTEREST

Save as disclosed, and to the Issuer's knowledge, there are no potential conflicts of interest between any duties to the Group, of directors or members of the executive management team and their private interests and other duties. The Audit Committee has the task to, *inter alia*, ensure that any potential conflicts of interests are resolved in the best interests of the Group.

The number of shares in the Issuer held directly in the name of the current Directors as at the Record Date is as follows:

Anthony S. Diacono	9,375,000
Anthony J. Duncan	9,375,000 (through Malampaya Investments Limited)
Mr Joseph F.X. Zahra	6,250
Joseph Zammit Tabona	10,000
Charles Daly	8,500

In view of the above roles and positions, the above-mentioned Directors may be subject to conflicts of potentially diverging interests of the shareholders they are associated with and their position as Directors of the Issuer. No shareholder is entitled to any automatic right to nominate or appoint a director on the Board – the right to nominate a director is dependent upon the shareholder holding 0.5% of the issued share capital of the Company and the appointment of directors takes place by way of ordinary resolution at general meeting.

As far as the Issuer is aware, the above mentioned members of the executive management team do not hold, as at Record Date, any Shares in their name.

9.15 REMUNERATION AND BENEFITS

The total remuneration paid to the Board and to the members of the executive management team during the financial year ended 31 December 2014 amounted to €946,146. There are no arrangements in place for the payment of any pension, retirement or benefit in kind to any Director or to the members of executive management team. None of such persons have a contract of service or employment with the Issuer which provide for benefits upon termination.

9.16 BOARD PRACTICES

AUDIT COMMITTEE

The board of directors of the Issuer delegates certain responsibilities to the Audit Committee, the terms of reference of which reflect the requirements stipulated in the Listing Rules. The Audit Committee's primary objective is to assist the Board in dealing with issues of risk, control and governance and in reviewing the Issuer's reporting processes, financial policies and internal control structure. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Issuer's Board, management and external auditors.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- (a) monitoring and reviewing the financial statements issued by the Issuer, as well as the internal control structures, the financial reporting process and financial policies of the Issuer;
- (b) maintaining communications on such matters between the Board, management and the external auditors;
- (c) preserving the Issuer's assets by understanding the Group's risk environment and determining how to deal with those risks;
- (d) the appointment of the external Auditor and the approval of the remuneration and terms of engagement thereof following appointment by the shareholders in general meeting;
- (e) the Issuer's internal financial control systems;
- (f) the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- (g) the information upon which management bases its decision to consider the business as a going concern;
- (h) the accounting policies adopted and assumptions made;
- (i) whether the Issuer's financial statements compare well with industry norms;
- (j) the Issuer's annual and interim financial statements, and evaluating the completeness of the financial information presented and investigating any significant variances from previous years; and
- (k) the financial performance of related companies, in relation to any outstanding borrowings the latter may have with the Issuer.

In addition, the Audit Committee has the responsibility for scrutinising any proposed transaction to be entered into between the Issuer and any related party for the purpose of ensuring that any such transaction is executed at arm's length terms and is ultimately in the best interests of the Issuer.

The Audit Committee is currently composed of Mr. Joseph F.X. Zahra (non-executive director and Chairman of the Audit Committee), Mr. Anthony J. Duncan (executive director), Mr. Joseph Zammit Tabona (non-executive director) and Mr Charles Daly (non-executive director).

Whilst the Financial Risk Management Committee is a committee of the Board of Directors of the Issuer, the scope of this committee extends to matters relating to the Medserv Group.

FINANCIAL RISK MANAGEMENT COMMITTEE

The Board of Directors of the Issuer has set up a Financial Risk Management Committee composed of Mr. Anthony J. Duncan (executive Director), Mr. Karl Bartolo (Financial Officer), Ms Pamela Cassar (Assistant Financial Controller) and Mr. Colin Galea (Chief Accountant). The said Committee was set up with a view to manage the Group's currency, interest rates, liquidity and funding risks and to manage the Group's own financial investments.

The Committee operates under specific terms of reference approved by the Board which, *inter alia*, state that the objectives and responsibilities of the said committee consist of overseeing the Medserv Group's treasury function in relation to investments and financial risk management. The role of the Committee is therefore to:

- (a) provide direction and guidance with respect to the treasury function, thereby ensuring its compatibility with the financial and corporate strategy objectives of the Issuer;
- (b) setting out the policy recommendations for board approval in respect of investment and risk management practices;
- (c) formulating and monitoring the implementation of investment and risk management strategies; and
- (d) monitoring the effectiveness of the treasury function in line with the policy parameters approved by the Board.

Whilst the Financial Risk Management Committee is a committee of the board of directors of the Issuer, the scope of this committee extends to matters relating to the Medserv Group.

9.17 COMPLIANCE WITH THE CODE OF GOOD CORPORATE GOVERNANCE

Save as is stated herein, the Issuer, throughout the financial year ended 31 December 2014 and during the current financial year, applied the principles and complied with the provisions of the Code of Principles of Good Corporate Governance (the "Code of Corporate Governance") contained in Appendix 5.1 of the Listing Rules. The provisions of the Code of Corporate Governance in respect of which the Issuer has departed are reported in page 18 of the Issuer's Annual Report of the financial year ended 31 December 2014. The said information is being incorporated by reference. The departures referred to therein are also applicable for the current financial year.

9.18 EMPLOYEES

The average number of persons employed during the financial years 2012 to 2014 was as follows:

Year	Malta	Libya	Cyprus	Total
2014	90	5	28	123
2013	47	10	-	57
2012	47	5	-	52

The following is a breakdown of the said employees by function during the financial years 2012, 2013 and 2014:

Year	2012	2013	2014
Operation	43	47	95
Management & Administration	9	10	28
Total	52	57	123

9.18.1 THE BOARD AND EXECUTIVE MANAGEMENT

The number of shares held by the members of the Board and executive management team as at the Record Date was as set out in section 9.14.

9.19 SHAREHOLDERS HOLDING IN EXCESS OF 5% OF THE ISSUER'S ORDINARY SHARES

The following shareholders hold in excess of five per cent of the Issuer's ordinary shares at the 3 December 2015:

Year	Number of Shares	Percentage Holding
Anthony S. Diacono	9,375,000	37.50%
Malampaya Investments Limited	9,375,000	37.50%
Rizzo, Farrugia & Co (Stockbrokers) Ltd (on behalf of clients and, to the extent of 0.4% thereof, held on own account)	1,444,386	5.77%

The shares held by the said shareholders rank *pari passu* with all the other Shares in the Issuer and do not entitle such shareholders to any different voting rights.

To the knowledge of the Issuer, control of the Issuer is not vested in any one single entity.

Malampaya Investments Limited has entered into a Subscription Agreement with the Issuer whereby it has irrevocably undertaken to exercise its Rights to subscribe to 1,125,000 New Ordinary Shares it is entitled to under the Rights Issue in accordance with the terms and conditions set out in the Prospectus. The balance of its Rights to subscribe to 2,625,000 New Ordinary Shares are the subject of an offer to Intermediaries as described below.

Majority Shareholders' Rights Offer

The Majority Shareholders' Rights are the subject of an offer to Intermediaries for their own account or for the account of their clients at the Share Offer Price in the following proportions:

- (i) 3,750,000 New Ordinary Shares, as to Mr Anthony S. Diacono; and
- (ii) 2,625,000 New Ordinary Shares, as to Malampaya Investments Limited

through the entry into and submission of placement agreements ("**Placement Agreements**") by 12:00 on the 15 January 2016 ("**Placement Date**"). The Placement Agreements and the obligations of the Issuer and the Intermediaries arising therefrom will be subject, *inter alia*, to the allotment of the Shares becoming unconditional in terms of section 11.4 of this Prospectus.

Cleared funds need to be made available by the Intermediaries in respect of the amounts allotted to them under the Placement Agreements by the 29 January 2016.

Pursuant to the Placement Agreement, the Intermediaries shall be required to subscribe to a minimum of:

- (a) 650,000 New Ordinary shares of the Majority Shareholders' Rights; and
- (b) €3,000,000 in value of Euro Bonds and/or USD Bonds.

In allotting the Bonds and the Majority Shareholders' Rights, the Issuer shall give preference to the Intermediaries that have applied for USD Bonds (as opposed to Euro Bonds).

9.20 RELATED PARTY TRANSACTIONS

The Group's audited financial statements for the years ended 31 December 2012 to 31 December 2014, which are available as described in the section entitled "Incorporation by Reference / Documents on Display", contain related party information required to be included in this Prospectus. The table below sets out the various sections of the respective audited financial statements referred to above which are incorporated by reference into this Prospectus so as to provide the required information:

NOTE AND PAGE NUMBER IN REFERENCE DOCUMENT

Information incorporated by reference in this prospectus	Financial Year ended 31 December 2012	Financial Year ended 31 December 2013	Financial Year ended 31 December 2014
	Note 28 on Page 60	Note 27 on Page 63	Note 28 on Page 68

No material changes to the above have taken place since the 31 December 2014. The transactions with related parties during the period from 1 January 2015 up to the date of this Prospectus are a continuation of the transactions referenced in the table above and no new types of transactions have been entered into.

9.21 HISTORICAL FINANCIAL INFORMATION

Full historical financial information for

- (a) the financial years ended 31 December 2012 to 31 December 2014 is set out in the consolidated financial statements of the Issuer as audited by KPMG,
- (b) the six month periods ended 30 June 2015 and 30 June 2014 is set out in the unaudited consolidated half yearly report of the Issuer, and is available in printed form, free of charge, from the registered office of the Issuer.

The latest audited consolidated financial information available in respect of the Issuer relates to the financial year ended on 31 December 2014.

9.22 DIVIDEND POLICY

The Directors of the Company currently adopt a policy pursuant to which, subject to available cash flows, the requirements of the Act and sufficient working capital, forty per cent (40%) of the distributable profits are distributed to its shareholders by way of dividend. It is expected that subject to the Company maintaining adequate cash flows, the requirement of the Act and unforeseen circumstances and economic conditions that might have an impact on the Company's financial performance, the Directors maintain this policy in the foreseeable future.

The Issuer did not recommend a dividend for the financial year ended 31 December 2012. Dividends declared and paid by the Issuer for the financial years ended 31 December 2013 and 31 December 2014 amounted to €600,000 and €1,400,000, respectively. Based on the number of shares in issue following the Rights Issue having a nominal value of €0.10, the dividend per share calculation results in €0.01 per share and €0.03 per share for the financial years ended 31 December 2013 and 31 December 2014.

9.23 LEGAL & ARBITRATION PROCEEDINGS

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

9.24 SIGNIFICANT CHANGE

On the 8 October 2015, the Issuer and Medserv M.E. Limited entered into the SPA for METS Acquisition for the purchase consideration of \$46,000,000 out of which a deposit of \$3,000,000 was paid on account of the price. The completion of the METS Acquisition and the obligations thus to pay the balance of the consideration is subject to, *inter alia*, the Issuer raising sufficient financing to settle the balance and to the Issuer obtaining the approval of the shareholders in an extraordinary general meeting, which approval was obtained on the 3 December 2015. In the event that all conditions are fulfilled, the Issuer expects the transaction to be completed on or around the 23 February 2016. Further details on the SPA can be found under the section entitled "Material Contracts".

The METS Acquisition is in line with Medserv's longer-term strategy of increasing its geographical spread and product spread as well as to continue to grow its customer portfolio of international oil and gas companies and subcontractors. The acquisition will also present Medserv with cross-selling opportunities. Services between the METS Companies and Medserv do intersect but whereas Medserv concentrates on the offshore oil and gas industry, METS tends to support the onshore oil and gas industry. Synergies are expected to be achieved by combining the two groups.

The METS Companies generated revenue levels of €21.5million⁴ (\$24.1million) during the last financial year ended 30 April 2015. The combined net profit after tax amounted to €2.7million⁴ (\$3.0million) whilst the earnings before interest, tax, depreciation and amortisation ('EBITDA') for the same financial year amounted to €4.6million⁴ (\$5.1million). Before taking into account any synergies, Medserv expects that the METS Companies would at least continue to operate at this level of performance post-acquisition. As at 30 April 2015, METS Companies' combined net assets stood at €18.5million⁴ (\$20.7million) mainly representing tangible fixed assets (mainly comprising Machinery, Tools & Equipment and Leasehold Improvements) and working capital including cash and cash equivalents. The METS Companies do not avail itself of any bank borrowings or other forms of long-term debt.

The METS Acquisition will be mainly financed through the proceeds received from the Bond Issue and the Rights Issue. In the event of the transaction being successfully completed, Medserv's consolidated financial statements will include the METS Companies as fully owned subsidiaries. Medserv, through Medserv M.E. Limited, will become entitled to all dividend income that may be declared by the METS Companies and the Company's share capital will reflect the additional equity issued. Medserv will also be required to meet the cost of servicing the debt raised to finance the transaction. At a group level, Medserv's assets and liabilities will include assets and liabilities of the METS Companies and the debt raised for the purposes of the METS Acquisition.

Furthermore, Medserv would need to carry out a detailed Purchase Price Allocation exercise whereby the purchase consideration is allocated to the fair value of all identifiable net assets acquired as at acquisition date with the residual being goodwill. This will necessitate the determination of the fair value of the identifiable assets and liabilities assumed of METS, as well as, any identifiable intangible assets (such as contracts in place, brand value) arising in connection with the METS Acquisition. The latter would then be amortised over the remaining useful life of such assets whilst any goodwill recognised in the books of Medserv would need to be tested for impairment at least annually.

9.25 ADDITIONAL INFORMATION

SHARE CAPITAL

The Company's authorised share capital is €12,000,000 divided into 120,000,000 ordinary shares of €0.10 per share. The Company's issued share capital is €4,500,000.60 divided into 45,000,006 ordinary shares of €0.10 per share. All of the issued Shares of the Company form part of one class of Ordinary Shares in the Company, which Shares are listed on the Malta Stock Exchange. All Shares in the Company have the same rights and entitlements and rank *pari passu* between themselves.

The following information highlights the changes in share capital in Euro for the period 1 January 2012 to 31 December 2014:

	2012	2013	2014
At 1 January	€2,329,370.00	€2,329,370.00	€2,500,000.40
Following capitalisation*	-	€2,500,000.40	-
At 31 December	€2,329,370.00	€2,500,000.40	€2,500,000.40

⁴ All figures quoted in Euro have been translated from USD to Euro using the exchange rate prevailing as at 30 September 2015 of 1.1203USD:1EUR (Source: European Central Bank) for information purpose only

*On the 21 November 2013, at an extraordinary general meeting, the shareholders resolved to increase the issued share capital of the Company through a capitalisation of €170,630 from the Issuer's retained earnings for the purposes of the re-denominating the nominal value from €0.232937 to €0.25. During the same meeting, the shareholders resolved to authorise a share split such that the issued share capital of the Issuer be €2,500,000.40 divided into 25,000,004 ordinary shares of €0.10 each share.

By virtue of an extraordinary resolution passed on the 3 December 2015, the Issuer increased its authorised share capital from €5,000,000 divided into 50,000,000 Ordinary Shares of a nominal value of €0.10 each to €12,000,000 divided into 120,000,000 Ordinary Shares of a nominal value of €0.10 per share. The issued share capital was also increased by way of bonus share issue on the 9 December 2015 to €4,500,000.60 divided into 45,000,006 Ordinary Shares of €0.10 per Share.

9.26 MEMORANDUM AND ARTICLES OF ASSOCIATION

9.26.1 OBJECTS

The Memorandum and Articles of Association of the Issuer is registered with the Registry of Companies in Malta.

The main object of the Company is to carry on the business of a holding company whether of movable or immovable assets and other related activities including any business activities of the Subsidiary and such other activities as may from time to time be ancillary or complimentary to the foregoing whether in Malta or overseas. Clause 3 of the Memorandum of Association contains the full list of objects of the Company.

9.26.2 APPOINTMENT AND POWERS OF DIRECTORS

In terms of the memorandum and articles of association of the Company, the Directors of the Company shall be appointed by the shareholders in the annual general meeting as follows:

- (a) Any shareholder/s who, in the aggregate, holds not less than 0.5% of the total shares having voting rights in the Company shall be entitled to nominate a fit and proper person for appointment as a director of the Company. The directors themselves or a committee thereof may make recommendations and nominations to the shareholders for the appointment of directors at the next following annual general meeting.
- (b) Shareholders are granted a period of at least fourteen (14) days to nominate candidates for appointment as Directors. Such notice may be given by the publication of an advertisement in at least two (2) daily newspapers. All such nominations, including the candidate's acceptance to be nominated as director, shall on pain of disqualification be made on the form to be prescribed by the Directors from time to time and shall reach the Office not later than fourteen (14) days after the publication of the said notice (the "**Submission Date**"); PROVIDED THAT the Submission Date shall not be less than fourteen (14) days prior to the date of the meeting appointed for such election. Nominations to be made by the Directors or any sub-committee of the Directors appointed for that purpose shall also be made by not later than the date established for the closure of nominations to shareholders.
- (c) In the event that there are either less nominations than there are vacancies on the board or if there are as many nominations made as there are vacancies on the Board, then each person so nominated shall be automatically appointed a director.
- (d) In the event that there are more nominations made, then an election shall take place. After the date established as the closing date for nominations to be received by the Company for persons to be appointed directors, the directors shall draw the names of each candidate by lot and place each name in a list in the order in which they were drawn. The list shall be signed by the Chairman and the Company Secretary for verification purposes.
- (e) On the notice calling the annual general meeting at which an election of directors is to take place there shall be proposed one resolution for the appointment of each candidate in the order in which the names were drawn, so that there shall be as many resolutions as there are candidates. The Directors shall further ensure that any Member may vote for each candidate by proxy.

- (f) At the general meeting at which the election of directors is to take place the Chairman shall propose the name of each candidate as a separate resolution and the shareholders shall take a separate vote for each candidate (either by a show of hands or through a poll). Each shareholder shall be entitled, in the event of a poll, to use all or part only of his votes on a particular candidate.
- (g) Upon a resolution being carried, the candidate proposed by virtue of that resolution shall be considered elected and appointed a Director. No further voting shall take place once enough resolutions have been passed to ensure that all vacancies on the Board have been filled, even if there are still candidates with respect to whom a resolution has not yet been called.
- (h) Shareholders may vote in favour or against the resolution for the appointment of a director in any election, and a resolution shall be considered carried if it receives the assent of more than 50% of the shareholders present and voting at the meeting.
- (i) Unless a shareholder demands that a vote be taken in respect of all or any one or more of the nominees, in the event that there are as many nominations as there are vacancies or less, no voting will take place and the nominees will be deemed appointed directors.
- (j) Subject to the above, any vacancy among the directors may be filled by the co-option of another person to fill such vacancy. Such co-option shall be made by the board of directors and shall be valid until the conclusion of the next annual general meeting.
- (k) Any director may be removed, at any time, by the Member or Members by whom he was appointed. The removal may be made in the same manner as the appointment.
- (l) Any director may be removed at any time by the Company in general meeting pursuant to the provisions of section 140 of the Act.

The Directors are vested with the management of the Company, and their powers of management and administration emanate directly from the memorandum and articles of association and the law. The Directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the memorandum and articles of association they may do all such things that are not by the memorandum and articles of association reserved for the Company in general meeting. In particular, the Directors are authorised to issue shares in the Company with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may from time to time determine, as long as such issue of Equity Securities falls within the authorised share capital of the Company.

9.26.3 CLASSES OF SHARES: RIGHTS, PREFERENCES AND RESTRICTIONS

The Company only has Ordinary Shares in issue.

9.26.4 CHANGES TO RIGHTS OF SHAREHOLDERS

The rights attached to any class of shares, as is currently in force, or other classes of shares that may be created in the future may only be varied with the consent in writing of the holders of not less than $\frac{3}{4}$ of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

9.26.5 GENERAL MEETINGS

- (a) The Annual General Meetings of the Company shall be held at such time and place as the Directors shall appoint.
- (b) The Directors may convene an extraordinary general meeting whenever they think fit. Extraordinary general meetings may also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by Article 129 of the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, any Director, or any two Members of the Company holding at least 10% of the issued share capital, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors.
- (c) A notice convening an annual general meeting shall specify the meeting as such and a notice convening a meeting to pass an extraordinary resolution shall specify the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof.

- (d) Notice of every general meeting shall be given to:
 - (i) every registered member except those members who (having no registered address in Malta) have not supplied the Company an address for the giving of notices to them;
 - (ii) the Directors; and
 - (iii) the auditor/s for the time being of the Company.
- (e) No business shall be transacted at any general meeting unless a quorum of members is present, in person or by proxy, at the time when the meeting proceeds to business; save as herein otherwise provided members, present in person or by proxy, entitled to attend and vote at the meeting and holding in aggregate not less than 51% votes of the nominal value of the issued shares having voting rights in the Company shall constitute a quorum. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the members present shall constitute a quorum.

9.27 MATERIAL CONTRACTS

9.27.1 EMPHYTEUTICAL CONCESSION

Through a series of emphyteutical deeds, Medserv Operations Limited acquired, under title of temporary emphyteusis the immovable property situated at Kalafrana, Birzebbugia and within the confines of the Malta Freeport (the “**Medserv Site**”), from the Malta Freeport Authority (originally the Malta Freeport Corporation Limited) for a period up to the 29 May 2045. Medserv Operations Limited is prohibited from letting, granting on sub-emphyteusis, transferring, assigning the temporary utile dominium to third parties or otherwise transferring the Medserv Site without the prior consent, by resolution of the House of Representatives in Malta. This, however, does not prohibit it from allowing its clients the use for payment of any part of the Medserv Site or buildings thereon in the normal course of its business. In the event that the House of Representatives does not provide their consent to the transfer of the Medserv Site, the Malta Freeport Authority is obliged to acquire the Medserv Site, constructions and facilities thereon within three months from the said refusal at a pre-determined consideration.

Medserv Operations Limited was initially granted the exclusive use of a quay (measuring approximately 200m long and 5,000sqm area) and wharf space in the Malta Freeport Site (measuring 37,929sqm area), together with free access of persons, goods, vehicles and equipment. The Malta Freeport Authority thereafter also granted it the exclusive right of use of a further quay (measuring approximately 39m long and 785sqm area) and wharf space (measuring 10,000sqm area), together with free access of persons, goods, vehicles and equipment.

The exclusive use of the quays is granted for a period up to the 29 May 2045 and is restricted solely for the use of Medserv Operations Limited’s main business. The maintenance and ordinary repairs of the quays are at the charge of Medserv Operations Limited, whilst extraordinary repairs are at the charge of the Malta Freeport Authority. In consideration of the right of use granted over the quays, Medserv Operations Limited is obliged to pay the Malta Freeport Authority, berthing fees.

In the event that the emphyteutical grant described above terminates for any reason whatsoever, the right of use of the quays automatically terminates.

9.27.2 LEASE DEED

On the 5 December 2012, Medserv Operations Limited and the Malta Freeport Authority entered into a public deed pursuant to which the Freeport Authority granted to Medserv Operations Limited a lease over the Medserv Site for an additional period of 15 years from the date of expiry of the emphyteutical grants above described (that is, 29 May 2045) and a right of use of the quays for such additional period. The rent payable in terms of the lease deed is set at €430,000 per annum (revisable every 5 years by 10%). This extension of Medserv Operations Limited’s title of lease to the year 2060 is conditional upon it making additional investments totalling €9,000,000 by 2021 and meeting certain employment obligations.

During the period of the lease, Medserv Operations Limited is permitted to use the Medserv Site for the purpose of carrying out the activities, functions, purposes and duties or any of them set out in, or otherwise contemplated by, the Freeport Licence (described hereunder), as the same may be amended from time to time. Any improvements made on the Medserv Site generally accede to the property without the right of compensation. Medserv Operations Limited may sub-let, grant under a management or operation agreement or by way of concession, the Medserv Site during the period of the lease to any third party licensed under the Freeport Act provided that the sub-lease, management or operation agreement provides that it will terminate when the third party's licence under the Freeport Act expires or terminates. Medserv Operations Limited is prohibited from transferring or assigning the lease without the prior consent of the Freeport Authority. This, however, does not prohibit it from allowing its clients the use for payment of any part of the Medserv Site or buildings thereon in the normal course of the permitted use. In the event that the consent is not granted, the Freeport Authority is obliged to pay Medserv Operations Limited compensation based on the value of the improvements carried out on the Medserv Site. The lease deed also provides certain events of default, the occurrence of which would entitle the Freeport Authority to dissolve the lease. The termination of the lease automatically dissolves the right of use over the quays. In consideration of the right of use granted over the quays, Medserv Operations Limited is obliged to pay the Malta Freeport Authority, berthing fees.

9.27.3 FREEPORT LICENCE

Medserv Operations Limited is in possession of a licence granted in terms of article 11 of the Freeport Act. The possession of this licence authorises Medserv Operations Limited to carry out in the Freeport, (constituted under section 3(1) of the said Act), a trade or business consisting in the licensed activities as authorised by the Malta Freeport Authority. The licensed activities consist of the following:

- (a) the general trade, operation, management and marketing of a storage, service and spare parts centre for the oil industry at the Freeport in Kalafrana, Port of Marsaxlokk, Malta and the establishment, supply maintenance and operation of all services related or ancillary thereto;
- (b) the carrying on of all or any of the trades or businesses of carriers and handlers by land, water and air of products;
- (c) acting as advisors, consultants, brokers and agents;
- (d) acting as marine engineers, storage contractors, wharfingers and warehousemen;
- (e) the production, manufacture, processing, importing, exporting, storing and dealing of all kinds of machines, articles, products, apparatus and things necessary or useful for the above activities; and
- (f) the rendering of services that are analogous or complementary to the foregoing, including initiatives that may benefit the environment.

The licensed activities are subject to certain conditions, inter alia, the payment of all licensing fees and notification to the Malta Freeport Authority in the event of a change in control of Medserv Operations Limited. The said licence is valid for a period up to 29 May 2045 and is automatically extended up to 28 May 2060 if and when the Lease becomes effective, subject in all cases to the right of revocation in accordance with the Freeport Act.

9.27.4 SPA

On the 8 October 2015, the Company and Medserv M.E. Limited entered into the SPA with the Sellers for the METS Acquisition. The purchase consideration for the METS Acquisition is \$46,000,000 (forty six million United States Dollars), out of which \$3,000,000 has been paid by deposit. In terms of the SPA, the said deposit shall be forfeited by the Purchaser in favour of the Sellers should it fail to obtain:

- (a) the approval by the shareholders of the Company of the METS Acquisition by the 23 February 2016 (which approval was provided during the general meeting held on the 3 December 2015); and
- (b) the raising of financing for the purpose of settling the balance of the consideration due to the Sellers by the 16 February 2016.

The deposit shall be refunded to the Purchaser in the event that the Purchaser has fulfilled its conditions but the Sellers fail to complete the following conditions (the “**Seller Conditions**”) prior to the 23 February 2016:

- (a) the incorporation of a holding company in the British Virgin Islands (“**Holdco**”) to act as the holding company of the METS Companies and the transfer of the METS Companies to Holdco; and
- (b) the Sellers procuring that two of the senior management of the METS Companies agree to continue in employment for a period of 2 years.

In the event that the conditions set out in the agreement are not completed by Medserv or by the Sellers, as the case may be, the SPA shall terminate and the shares in the METS Companies will not be transferred to the Medserv Group. Save for any rights that Medserv may have at law, it is only in the event that the said SPA terminates due to the non-completion by the Sellers of the Seller Conditions or in the event that the Sellers have breached specific warranties, that Medserv would be entitled, on termination, to a refund of the deposit of \$3,000,000.

The SPA contains a number of warranties and indemnities provided by the Sellers. The raising of a claim under the indemnities and for a breach of warranties is subject to specific limitations, including time limitations and financial caps. The Issuer has agreed to guarantee the obligations undertaken by Medserv M.E. Limited in the SPA.

Subject to the fulfilment of all the conditions set out above, the Company expects that completion of the transaction and therefore the payment of the balance of the purchase price and the transfer of the shares in the METS Companies to Medserv M.E. Limited will take place on the 23 February 2016 or on such other date as may be agreed between the parties.

9.28 INFORMATION ON HOLDINGS

The Company has the following significant subsidiaries and subsidiary undertakings (each of which is considered by the Company to be likely to have a significant effect on the assessment of its assets and liabilities, financial position or profits and losses):

Name of Company	Country of incorporation	Principal activities	% holding
Medserv Operations Limited	Malta	Provision of comprehensive logistical support services to the offshore petro-chemical industry from a base in Kalafrana, Malta.	99.99%
Medserv (Cyprus) Limited	Cyprus	Provision of comprehensive logistical support services to the offshore petro-chemical industry from a base in Larnaca, Cyprus.	80%

9.29 THIRD PARTY INFORMATION

The sourced information contained in the section entitled ‘Trend Information’ has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PART E

10.0 ESSENTIAL INFORMATION

10.1 WORKING CAPITAL STATEMENT

The Board of Directors is of the opinion that the working capital available to the Issuer and the Group is sufficient for the Issuer's present requirements.

10.2 CAPITALISATION AND INDEBTEDNESS

The following tables show the capitalisation and indebtedness of the Group as at 30 June 2015 on an actual basis, as well as, adjusted for the issuance of 10,000,000 New Ordinary Shares at the Share Issue Price of €1.50 each and the €30.0million Bond Issue. The net proceeds from the Rights Issue and the Bond Issue are expected to be in the region of €14.5million and €29.0million respectively.

Medserv p.l.c. – Capitalisation and Indebtedness

As at 30 June 2015	Unaudited before Dual Issue	Effect of the Dual Issue	After the Dual Issue
	€'000	€'000	€'000
INDEBTEDNESS			
Current debt			
Secured / guaranteed			
Current bank debt (bank overdraft)	2,461	-	2,461
Current portion of non-current bank loans	582	-	582
Unguaranteed / unsecured	-	-	-
	3,043	-	3,043
Non-current debt			
Secured / guaranteed			
Non-current bank loans	1,432	-	1,432
2020-2023 Medium-term listed Notes	19,717	-	19,717
Unguaranteed / unsecured			
Loan from non-controlling interest	1,334	-	1,334
Listed bonds	-	29,000	29,000
	22,483	29,000	51,483
Total indebtedness	25,526	29,000	54,526
EQUITY			
Shareholders' equity			
Share capital (incl. share premium)	2,500	14,500	17,000
Retained earnings	4,347	-	4,347
Legal reserve	-	-	-
Other reserves	3,596	-	3,596
Non-controlling interest	381	-	381
Total equity and reserves	10,824	14,500	25,324
Total capitalisation and indebtedness	36,350	43,500	79,850

Medserv p.l.c. – Net Indebtedness

As at 30 June 2015	Unaudited before Dual Issue	Effect of the Dual Issue	After the Dual Issue
	€'000	€'000	€'000
Cash	2,449	-	2,449
Total liquidity	2,449	-	2,449
Current financial receivable	-	-	-
Current bank debt (bank overdraft)	2,461	-	2,461
Current portion of non-current bank loans	582	-	582
Current financial debt	3,043	-	3,043
Net current financial indebtedness	594	-	594
Non-current bank loans	1,432	-	1,432
2020-2023 Medium-term listed Notes	19,717	-	19,717
Loan from non-controlling interest	1,334	-	1,334
Listed bonds	-	29,000	29,000
Non-current financial indebtedness	22,483	29,000	51,483
Net financial indebtedness	23,077	29,000	52,077

The Group has the following facilities:

- Bank loans which as at 30 June 2015 amounted to €2.0million. In September 2015, the Company availed of an additional bank loan of \$2.4million to part finance the deposit payable in relation to the METS Acquisition. The carrying amount of the said USD loan as at 30 September 2015 amounted to €2.1million. These loans were secured by joint and several guarantees given by the Company and a second general hypothec given by a subsidiary.
- General overdraft facilities, with a maximum total facility of €4.1million. €2.5million of these overdraft facilities are secured by a general hypothec over the Company's assets present and future and a special hypothec over the emphyteutical property situated at the Company's sites and buildings. The remaining €1.6million are guaranteed jointly and severally by the Company and Medserv Operations Limited. As at 30 June 2015 the Group had unutilised bank overdraft facilities of €1.6million.

The Group also has €20.0million listed Notes which as at 30 June 2015 had a carrying amount in the Group's balance sheet of €19.7million. These Notes bear interest at 6% per annum and are redeemable on 30 September 2023 with an early redemption option exercisable by giving a 30-day notice from 30 September 2020. These Notes are secured by Medserv Operations Limited through a general hypothec and a special hypothec over its emphyteutical rights on the Medserv Site.

As at 30 June 2015, the Group also had a loan amounting to €1.3million advanced by a non-controlling interest. The loan is unsecured, bears interest at 6.25% per annum and is repayable by 15 September 2017. Since the date of the last published financial information, the Group has repaid a portion of the said loan, and the carrying amount as at 30 September 2015 amounted to €0.9million.

Save for the above, there has been no material change since the date of the last published financial information, i.e. 30 June 2015.

As set out in section 10.3 “Reasons for the Dual Issue and Use of Proceeds” the Company intends to use part of the net proceeds from the Dual Issue to repay its bank loan and/or overdraft facilities.

11.0 INFORMATION ON THE DUAL ISSUE

11.1 INTERESTS OF NATURAL & LEGAL PERSONS IN DUAL ISSUE

The following interests of natural and legal persons involved in the issue are being disclosed:

- (a) Information on the interest of members of the Board and the executive management team has been disclosed in the section of the Prospectus entitled “Conflicts of Interest”.
- (b) As at the 3 December 2015, Rizzo, Farrugia & Co (Stockbrokers) Ltd held 1,444,386 Shares (5.77% of the issued share capital) as agent on behalf of its clients both on an execution-only basis and on a portfolio management basis (except that 0.4% of such amount is held on own account).

11.2 EXPECTED TIMETABLE

Each of the times and dates (other than the Record Date) in the table below is indicative only and may be subject to change:

Event	Date
Record Date	29 December 2015
Availability of Provisional Allotment Forms	31 December 2015
Availability of Bond Application Forms	4 January 2016
Opening of Rights Issue Acceptance Period	4 January 2016
Placement Date	15 January 2016
Company Announcement re Results of Placement	15 January 2016
Closing of Rights Issue Acceptance Period	18 January 2016
Announcement of Rights Issue Results	21 January 2016
Opening of Bond Issue Period, if applicable	22 January 2016
Opening of Lapsed Rights Offer Period	22 January 2016
Closing of Lapsed Rights Offer Period	27 January 2016
Closing of Bond Issue Period, if applicable	27 January 2016
Company Announcement re Results of Rights Issue, Lapsed Rights Offer and Bond Issue, if any.	3 February 2016
Allotment and Expected Admission to Listing of New Ordinary Shares issued pursuant to the Rights Issue and Lapsed Rights Offer (if any)	5 February 2016
Allotment, Commencement of Interest and Expected Admission to Listing of Bonds	5 February 2016
Expected Commencement of Trading of New Ordinary Shares issued pursuant to the Rights Issue and Lapsed Rights Offer (if any)	8 February 2016
Expected Commencement of Trading of Bonds	8 February 2016
Payment of Premium (if any) to Lapsed Rights Holders	8 February 2016

11.3 REASONS FOR THE DUAL ISSUE AND USE OF PROCEEDS

This Prospectus relates to the following:

- (a) Rights Issue and Lapsed Rights Offer: The proposed issue by way of Rights to the New Ordinary Shares to Eligible Shareholders (including the Majority Shareholders' Rights Offer made by the Majority Shareholders to the Intermediaries for their own account or for the account of their clients by the Placement Date) and, if applicable, the offer for subscription of Lapsed Rights made by the Issuer to the Intermediaries for their own account or for the account of their clients during the Lapsed Rights Offer Period; and
- (b) Bond Issue: The proposed issue of Bonds to investors that are prepared to acquire and hold a minimum of €50,000 Euro Bonds or \$55,000 USD Bonds, as the case may be.

Bond Issue

The net proceeds from the Bond Issue, which if taken up in full is expected to be in the region of €29.5million, will be used by the Issuer to, directly/indirectly, part-finance the balance of the purchase price (\$43million) due in respect of the METS Acquisition and payable on completion (expected to take place on the 23 February 2016). The Issuer has secured arrangements to convert part of the proceeds from the Bond Issue into USD. In the event that the Issuer does raise the balance required in USD through the issuance of USD Bonds, it shall convert the said balance from Euro to USD at the spot rate.

The funds from the Bond Issue will only be released by the Registrar to the Issuer if the conditions precedent to closing, as set out in the SPA, have all been satisfied, or waived, as the case may be, by the 23 February 2016 or such later date that may be agreed between the parties to the SPA provided that if the conditions precedent are not satisfied or waived by the 29 February 2016, the Issuer shall be bound to repurchase and cancel the Bonds at their nominal value together with all interest accrued thereon and shall apply the proceeds held by the Registrar for this purpose.

Rights Issue & Lapsed Rights Offer (if any)

The net proceeds from the Rights Issue and Lapsed Rights Offer (if any), which if taken up in full is expected to be in the region of €14.5million, will be used by the Issuer to, directly or indirectly,

- (a) finance the remaining balance required to settle the purchase price for the METS Acquisition, which is expected to be in the region of €8.5million. In the event that for whatever reason the SPA is terminated, the Issuer shall utilise the said amount for working capital purposes;
- (b) repay its bank overdraft facility with HSBC Bank Malta p.l.c. in the amount of €1million and with Bank of Valletta p.l.c. in the amount of €1.1million;
- (c) finance improvements and/or the development of the Group's existing and new bases and to finance the Group's working capital – it is expected that an amount of €3.9million of the proceeds shall be allocated for this purpose.

The application of the proceeds in the manner described in a) above to the extent that it relates to the settlement of the balance of the purchase price of the METS Companies shall have priority over the remaining identified uses. The utilisation of the balance of the funds is not set out in any particular order of priority.

11.4 CONDITIONS OF ALLOTMENT

The allotment of New Ordinary Shares and the Bonds is conditional upon:

- (a) a minimum aggregate amount of €35,000,000 being raised through the Rights Issue, the Lapsed Rights Offer, if any, and the Bond Issue; and
- (b) the New Ordinary Shares and the Bonds being admitted to the Official List of the MSE.

The Issuer will announce by way of company announcement whether sufficient proceeds were raised to render, subject to paragraph b) above, the issuance of the New Ordinary Shares and the Bonds unconditional. It is expected that this announcement will be made on or by the 3 February 2016.

In the event that the conditions are not completed by the 3 February 2016, all monies received by the Issuer in respect of the Rights Issue and the Bond Issue will be returned without interest by direct credit into the bank account indicated by the respective applicant.

11.5 EXPENSES OF THE DUAL ISSUE

The Rights Issue, the Lapsed Rights Offer and the Bond Issue will involve expenses including publicity, printing, listing, registration, legal, sponsor, management and registrar fees and other miscellaneous costs. Such expenses are estimated not to exceed €1,500,000 and shall be borne by the Issuer. No expenses will be specifically charged by the Issuer to any Eligible Shareholder who subscribes for New Ordinary Shares or to investors subscribing to Bonds. The amount of the expenses will be deducted from the proceeds of the Dual Issue, which accordingly will bring the net proceeds to circa €43,500,000, if all the entitlements to the New Ordinary Shares are validly taken up and all Bonds are subscribed to.

The following commissions shall be payable by the Issuer in connection with the Dual Issue:

- (a) In respect of the intermediaries offer for the Majority Shareholders' Rights and the Bonds as a result of the entry into of Placement Agreement, a commission of 1.5% of the value of the Shares allotted by the Majority Shareholders to the Intermediaries and 1% of the value of the Euro Bonds, and 1.25% of the value of the USD Bonds, allotted by the Issuer to the Intermediaries;
- (b) A commission of €75 per PAL shall be payable by the Issuer to the Intermediaries for the due completion and submission of PALs;
- (c) In the event of the Lapsed Rights Offer, a commission at the rate of 1.5% of the value of an accepted offer shall be payable by the Issuer to the Intermediaries; and
- (d) In the event of a Bond Public Offer, a commission at the rate of 1% of the value of the Euro Bonds, and 1.25% of the value of the USD Bonds, allocated to Bond Applicants applying through Intermediaries.

All of the above commissions have been included in the calculation of expenses in relation to the Dual Issue. Other than the above, there are no other commissions which are payable by the Issuer in connection with the Dual Issue.

PART F

82

12.0 INFORMATION CONCERNING THE SHARES

12.1 GENERAL

Each New Ordinary Share forms part of the duly authorised issue by way of Rights to 10,000,000 New Ordinary Shares (of a nominal value of €0.10 each) which, if subscribed to in full at the Share Offer Price, will amount to gross principal proceeds of fifteen million Euro (€15,000,000). The Issuer's ISIN number is MT0000310103.

12.2 APPLICABLE LAWS

The New Ordinary Shares are issued in accordance with the requirements of the Listing Rules, the Companies Act, the Prospectus Directive and the Prospectus Regulation.

12.3 REGISTRATION, DENOMINATION, FORM AND TITLE

The Issuer will not issue share certificates representing the fully paid up New Ordinary Shares as the New Ordinary Shares will be represented in uncertificated form by the appropriate entry in the electronic register of the Issuer's members maintained on behalf of the Issuer at the Malta Stock Exchange. There will be entered into such electronic register the names and addresses of the holders of the New Ordinary Shares and the number of New Ordinary Shares held by them.

It is expected that the Malta Stock Exchange will issue a notice on the 5 February 2016 and such date shall constitute the date of issue, allotment as well as Listing of the New Ordinary Shares. It is also expected that the Malta Stock Exchange will issue registration advices to each shareholder immediately thereafter.

Any shareholder in whose name the New Ordinary Shares are registered may (to the fullest extent permitted by the applicable laws) be deemed and treated at all times and for all purposes as the owner of the New Ordinary Shares. Title to the New Ordinary Shares is transferred in accordance with the provisions of section of this Prospectus entitled "Transferability of New Ordinary Shares".

12.4 CURRENCY OF THE NEW ORDINARY SHARES

The currency of the New Ordinary Shares is Euro.

12.5 RIGHTS ATTACHED TO THE NEW ORDINARY SHARES

Ranking

The New Ordinary Shares will, when issued and fully paid up, rank *pari passu* in all respects with the Existing Ordinary Shares, including with regard to the right to receive notice of and attend general meetings, voting rights, dividends and distribution of assets upon winding up of the Issuer.

Class of New Ordinary Shares

The New Ordinary Shares will be of the same class as the Issuer's ordinary shares currently in issue. In terms of the Issuer's Memorandum and Articles the rights attached to any class of shares may only be varied with the consent in writing of the holders of not less than $\frac{3}{4}$ of the issued shares of that class, or by means of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class.

Currently, the Issuer does not have any preference shares in issue and thus the right of the Ordinary Shareholders in respect of dividends declared by the Issuer or in respect of the distribution of assets of the Issuer upon winding up does not rank after the preferred rights of any preference shareholders.

Dividends

In accordance with the Act, the authority to declare dividends lies with the Issuer's shareholders in the general meeting. However, in terms of the Issuer's Memorandum and Articles, no dividend shall exceed the amount recommended by the Directors. In addition, the Directors have the authority to declare such interim dividends as appear to the Directors to be justified by the Issuer's profits.

Voting Rights

The New Ordinary Shares will entitle the holder thereof to one vote for every share and will have a nominal value of €0.10. Voting rights may also be exercised by the appointment of a proxy at the meeting of the Shareholders as detailed below.

Meetings of Shareholders

In accordance with the provisions of the Companies Act and of the Issuer's Articles of Association, the holders of the New Ordinary Shares will have the right to receive notice and attend general meetings. Notice in writing shall be given to each shareholder at least twenty-one clear days before the meeting (excluding the day on which the notice is given and the day for which it is given). The said notice period may be reduced to fourteen days in certain circumstances. The notice shall specify the date, time and location of the meeting and whether there will be required decisions of ordinary or special business. If the latter, the notice has to specify the general nature of the business. The instrument appointing a proxy shall be deposited at least 48 hours before the time fixed for the meeting at such place as the Issuer shall designate or approve.

Shareholders holding in aggregate at least 51% of the shares having voting rights in the Issuer (present in person or by proxy) shall constitute a quorum for a general meeting.

No business shall be transacted at a meeting of shareholders unless a quorum is present within half an hour of the time appointed for the commencement of the meeting. If a quorum is not present within 30 minutes from the time initially fixed for the meeting, it shall stand adjourned same day in the next week, at the same time and place or such other date, time and place as the Directors may decide provided that the original notice was properly given, no new matter is placed on the agenda and the adjourned meeting is held within ten days. If a quorum is not present within 30 minutes from the time fixed for a meeting so adjourned the members present shall constitute a quorum.

Pre-emption rights in respect of new issues of shares

In terms of Article 88 of the Companies Act, shareholders in a public company have pre-emption rights in respect of new issues of shares for cash, in proportion to the holding of capital by such shareholders. Such pre-emption rights may not be withdrawn or restricted by the memorandum and articles of a company, however, the Companies Act allows the memorandum and articles of the company or an extraordinary resolution of the general meeting to authorize the Board of Directors to restrict or withdraw pre-emption rights for as long as the Board of Directors is authorised to issue and allot shares of the Company.

The Shareholders in the extraordinary general meeting held on the 3 December 2015, authorised the increase of the authorised share capital to €12,000,000 divided into 120,000,000 Shares of a nominal value of €0.10 per share. At the same meeting the Shareholders also authorised the directors to, subject to the registration of the amended memorandum and articles of association with the Registry of Companies reflecting the increase in authorised share capital, issue and allot such number of Shares, for the time being un-issued, as may be determined by the Board of Directors up to the maximum authorised share capital and authorised the board to withdraw/restrict shareholders' pre-emption rights on the issuance of shares. This authorisation is valid for a period of two (2) years.

12.6 TRANSFERABILITY OF NEW ORDINARY SHARES

The New Ordinary Shares are freely transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time. Dealings on the MSE are expected to commence on 8 February 2016.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) in respect of any New Ordinary Shares and to any applicable laws and regulations.

12.7 RESTRICTIONS & TAKE-OVER BIDS

No restrictions are provided for the free transferability of the New Ordinary Shares.

No mandatory takeover bids, or public takeover bids and/or squeeze out and sell out rules have occurred in relation to the Issuer's Shares during the financial periods referred to in this Prospectus.

12.8 DILUTION

Subject to Admission, pursuant to the Rights Issue (including the Majority Shareholders' Rights Offer) and the Lapsed Rights Offer 10,000,000 New Ordinary Shares will be issued at the Share Offer Price. This will result in the issued share capital of the Company increasing by approximately 22%. Eligible Shareholders who take up their pro rata entitlement in full will suffer no dilution to their interests in the Company. Eligible Shareholders who do not take up any of their rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of 18% in their interests in the Company.

13.0 TERMS AND CONDITIONS OF THE RIGHTS ISSUE, THE MAJORITY SHAREHOLDERS' RIGHTS OFFER AND THE LAPSED RIGHTS OFFER

13.1 GENERAL

The Company is proposing to raise proceeds by way of a Rights Issue (including the Majority Shareholders' Rights Offer), and in the event of any Lapsed Rights, a Lapsed Rights Offer of 10,000,000 New Ordinary Shares, in aggregate.

The New Ordinary Shares will be offered by way of nil-paid rights at €1.50 per New Ordinary Share, payable in full on acceptance by the Eligible Shareholder, on the basis of 2 New Ordinary Shares for every 9 Existing Ordinary Shares held on the Record Date on the terms and conditions as set out in this Prospectus and the Provisional Allotment Letter.

Application has been made to the Listing Authority to authorise the New Ordinary Shares to be admitted to trading on the Official List of the Malta Stock Exchange. The New Ordinary Shares issued pursuant to the Rights Issue and the Lapsed Rights Offer are expected to be listed on the 5 February 2016 and that dealings in the New Ordinary Shares will commence on the 8 February 2016.

The New Ordinary Shares will, when issued and fully-paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of this Prospectus.

As a result of a) the Subscription Agreement entered into by Malampaya Investments Limited and b) the Majority Shareholders' Rights Offer, the Majority Shareholders will not be submitting a PAL.

Save as provided in these Terms and Conditions, none of the New Ordinary Shares are being made available to the public other than pursuant to the Rights Issue, (including the Majority Shareholders' Rights Offer) or the Lapsed Rights Offer, as the case may be.

Entitlements to New Ordinary Shares will be rounded up to the nearest whole number. It is the responsibility of shareholders wishing to apply for the New Ordinary Shares to inform themselves as to the legal requirements of so applying in Malta and in the countries of their nationality, residence or domicile.

The attention of Overseas Shareholders or any person who has a contractual or other legal obligation to forward this Prospectus or other related document into a jurisdiction other than Malta is drawn to section 13.14 below. The offer of New Ordinary Shares, the Rights Issue and the Lapsed Rights Offer will not be made into the Excluded Territories.

13.2 DEFINITIONS

Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions and/or the Provisional Allotment Letter and/or in any other document issued pursuant to the Prospectus.

13.3 CONDITIONS

The allotment of the New Ordinary Shares is subject to the conditions set out in section 11.3 of this Prospectus.

13.4 RIGHT TO REVOKE THE RIGHTS ISSUE

Subject to all other terms and conditions set out in the Prospectus and the PAL, the Company reserves the right to revoke the Rights Issue at any time before the closing of the Lapsed Rights Offer Period. The circumstances in which such revocation might occur are expected to be exceptional, for example in the case of an early termination of the SPA in respect of the METS Acquisition. In the event of a revocation of the Rights Issue, the payment monies will be returned by means of a direct credit to the Eligible Shareholder's or Transferee's bank account as indicated in the respective PAL.

13.5 NOTICES

This Prospectus and accompanying documentation are expected to be mailed to Eligible Shareholders at their registered addresses as held by the CSD (as at the Record Date) by the 31 December 2015 and for all Eligible Shareholders it shall be deemed to have been served at the expiration of two (2) days after such mailing.

13.6 MAJORITY SHAREHOLDERS' RIGHTS OFFER

Malampaya Investments Limited has entered into a Subscription Agreement with the Issuer whereby it has irrevocably undertaken to exercise its Rights to subscribe to 1,125,000 New Ordinary Shares it is entitled to under the Rights Issue in accordance with the terms and conditions set out in the Prospectus. The balance of its Rights to subscribe to 2,625,000 New Ordinary Shares are the subject of an offer to Intermediaries as described below.

Majority Shareholders' Rights Offer

The Majority Shareholders' Rights are the subject of an offer to Intermediaries for their own account or for the account of their clients at the Share Offer Price in the following proportions:

- (i) 3,750,000 New Ordinary Shares, as to Mr Anthony S. Diacono; and
- (ii) 2,625,000 New Ordinary Shares, as to Malampaya Investments Limited

through the entry into and submission of placement agreements ("**Placement Agreements**") by 12:00 on the 15 January 2016 ("**Placement Date**"). The Placement Agreements and the obligations of the Issuer and the Intermediaries arising therefrom will be subject, *inter alia*, to the allotment of the Shares becoming unconditional in terms of Section 11.4 of this Prospectus.

Cleared funds need to be made available by the Intermediaries in respect of the amounts allotted to them under the Placement Agreements by the 29 January 2016.

Pursuant to the Placement Agreement, the Intermediaries shall be required to subscribe to a minimum of:

- (a) 650,000 New Ordinary Shares of the Majority Shareholders' Rights; **and**
- (b) €3,000,000 in value of Euro Bonds and/or USD Bonds.

In allotting the Bonds and the Majority Shareholders' Rights, the Issuer shall give preference to the Intermediaries that have applied for USD Bonds (as opposed to Euro Bonds).

In the event that the Majority Shareholders' Rights are not subscribed in full by the Intermediaries by the said date, the amount unsubscribed shall be made available to the general public during the Lapsed Rights Offer (that is, from and including the 22 January 2016 up to the 27 January 2016, unless closed earlier due to over-subscription).

Anthony S. Diacono is the Chairman and executive director of the Medserv Group. Malampaya Investments Limited is beneficially owned by Anthony J. Duncan, also an executive director of the Medserv Group. Anthony S. Diacono and Malampaya Investments Limited each hold 9,375,000 ordinary shares (37.50% each in the issued share capital of the Company).

13.7 PROVISIONAL ALLOTMENT LETTERS ("PAL(s)")

Provisional Allotment Letters are expected to be dispatched to Eligible Shareholders by the 31 December 2015. The Eligible Shareholders shall return the Provisional Allotment Letter(s) to any of the Intermediaries (as listed in Annex I) during the period between 8.30am on the 4 January 2016 and 10.00am on the 18 January 2016 (the "**Rights Issue Period**").

The Provisional Allotment Letter details the number of New Ordinary Shares to be issued to the Eligible Shareholders. It is then supplemented by instructions as to the possibility that an Eligible Shareholder might want to:

- (a) take up all of his Rights (PAL A); or
- (b) take only part of the Rights allotted to him (and may in addition also opt to transfer all or part of the remaining balance) (PAL B); or
- (c) transfer part or all of those Rights to a third party/ies (PAL C).

The Provisional Allotment Letter(s) must be returned by the Intermediaries to the Registrar by 1.30pm on the 18 January 2016 together with relevant evidence of full payment made to the Registrar's Account for the amount of New Ordinary Shares subscribed for.

It shall be the sole responsibility of the Intermediary to ensure that the PALs together with relevant evidence of full payment reach the Registrar on time.

13.8 RIGHT TO REJECT

Subject to all other terms and conditions set out in the Prospectus and the PAL, the Company reserves the right to reject, in whole or in part, a Provisional Allotment Letter. The Company also reserves the right to refuse any Provisional Allotment Letter which in the opinion of the Company is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents and/or payments. The Provisional Allotment Letter(s) will be accepted in original only; photocopies/facsimile copies will not be accepted.

If any Provisional Allotment Letter is not accepted, the payment monies will be returned by means of a cheque in Euro without interest, and mailed at the shareholders' own risk to the address appearing on the Provisional Allotment Letter. Any expenses or charges connected with such return of monies shall be borne by the respective Eligible Shareholder. The Company and the Registrar expressly disclaim any and all responsibility for any remittances that may be lost or otherwise mislaid through the mail.

13.9 ANNOUNCEMENT OF THE ACCEPTANCE OF RIGHTS

On 21 January 2016, the Issuer shall announce the results of the Rights Issue by means of a Company Announcement.

Dealing is expected to commence on 8 February 2016 which could possibly be prior to the receipt by each Shareholder of notification from the CSD of the Malta Stock Exchange.

13.10 ACTION REQUIRED TO SUBSCRIBE TO THE RIGHTS ISSUE

13.10.1 CONTENTS OF THE PALs

Each Provisional Allotment letter will set out:

- (i) The holding of the Existing Ordinary Shares on which an Eligible Shareholder's entitlement to New Ordinary Shares has been based;
- (ii) The number of New Ordinary Shares which have been provisionally allotted to each Eligible Shareholder in respect of such shares;
- (iii) Instructions regarding acceptances and payment, splitting, transfers and payments.

The maximum number of New Ordinary Shares that an Eligible Shareholder may take up or transfer is that which is set out in the relevant Provisional Allotment Letter. There is no minimum number of New Ordinary Shares an Eligible Shareholder may take up.

If the Provisional Allotment Letter is signed on behalf of a legal person, the person signing will be deemed to have bound the relative legal person and will be deemed also to have given the confirmations, warranties and undertakings contained in this Prospectus on their behalf. Such person may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar.

The contract created by the signing of the Provisional Allotment Letter shall be subject to all the terms and conditions set out in this Prospectus and the PAL.

13.10.2 JOINT ELIGIBLE SHAREHOLDERS

In the case of Existing Ordinary Shares held jointly by several persons, the Company shall send a Provisional Allotment Letter only to the person/s entered on the register of the Central Securities Depository or to the first person of the joint holders entered on the register of the Central Securities Depository who shall, for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Existing Ordinary Shares.

13.10.3 LEGAL PERSONS

Where the Eligible Shareholder is a legal person, the Provisional Allotment Letter must be signed by the person/s authorised to sign and bind such Eligible Shareholder. It shall not be incumbent on the Company to verify whether the person/s purporting to bind such an Eligible Shareholder is in fact so authorised.

13.10.4 MINORS

If the name appearing on the register of the Central Securities Depository as at close of trading on the Record Date is that of a minor, and the eligible Shareholder is still a minor at the date of closure of the Rights Issue Period, the Provisional Allotment Letter must be signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor or evidence of legal guardianship, as the case may be. Any New Ordinary shares allotted pursuant to the Rights Issue shall be registered by the company in the name of the minor as a shareholder with dividends and any other entitlements payable to the parents/legal guardian/s signing the Provisional Allotment Letter until such time as the minor attains the age of eighteen (18) years. Upon the minor reaching such age, all dividends shall be payable directly to the registered holder, provided that the Company has been duly notified in writing that the minor has attained the age of eighteen (18) years.

13.10.5 DECEASED PERSONS

If the name appearing on the register of the Central Securities Depository as at close of trading on the Record Date is that of a deceased Eligible Shareholder or if an Eligible Shareholder dies before the expiry of the Rights Issue Period and prior to having completed the Provisional Allotment Letter, the Provisional Allotment Letter must be signed by the lawful successors in title of the deceased Eligible Shareholder. For this purpose, the successors in title of the deceased Eligible shareholder must contact the Company or the Intermediary within the Rights Issue Period in order to produce adequate documentary proof to the satisfaction of the Company or the Intermediary, in order to enable them to verify their status as lawful successors of the deceased Eligible Shareholder.

13.10.6 SHARES SUBJECT TO USUFRUCT

In respect of Existing Shares held subject to usufruct, the Offer shall be made and the Provisional Allotment Letter issued in the name of the bare owner, provided that any new Ordinary shares allotted pursuant to an acceptance by a bare owner shall be subject to the same right of usufruct in favour of the usufructuaries who have such rights with respect to the Existing Ordinary Shares held by the said Eligible Shareholder as bare owner as at the Record Date. In this respect, the PAL submitted to the Intermediary is to be accompanied by an authorisation of the usufructuary allowing the addition of the new shares, which is to be subsequently forwarded in original to the Registrar.

Procedure for acceptance Eligible Shareholders who wish to accept in full

Holders of Provisional Allotment Letter(s) who wish to take up all of their Rights should complete the Provisional Allotment Letter(s) (PAL(s) A) and return it to any of the Intermediaries (listed in Annex I) together with proof of payment.

Eligible Shareholders who wish to accept in part and transfer remaining balance

Holders of Provisional Allotment Letter(s) who wish to take up only some but not all of their Rights (and in addition also opt to transfer all or part of the remaining balance) should complete the Provisional Allotment Letter (PAL(s) B) and return it to any of the Intermediaries together with proof of payment.

Eligible Shareholders who wish to transfer their rights

Holders of the Provisional Allotment Letter(s) may wish to transfer all or part of their Rights to a third party or third parties.

In case the holder of the Provisional Allotment Letter(s) wishes to transfer all or part of his Rights to one or more transferee(s) he may do so by completing the Provisional Allotment Letter (PAL C) and then return it to any of the Intermediaries in accordance to the terms and conditions pertaining to the PAL and Prospectus. The minimum number of New Ordinary Shares that can be transferred and that a transferee may take up is one thousand (1,000) Ordinary Shares.

Further Procedures for Transferring Rights

In the case of Existing Ordinary Shares held jointly by several persons who wish to transfer all or part of their Rights, all joint shareholders are to sign the applicable PAL.

It shall be incumbent on the applicable Intermediary to ascertain that all applicable legal and regulatory requirements relating to the taking up of rights and consequent New Ordinary Shares by a transferee are complied with, including without limitation the obligation to comply with all applicable AML Rules and regulations and including the MFSA rules for Investment Services Providers.

The Company reserves the right to refuse to register any renunciation or transfer of the Provisional Allotment Letter in favour of any person in respect of which the Company believes such transfer or renunciation may violate applicable legal or regulatory requirements including (without limitation) any transfer or renunciation in the name of any person with an address outside Malta.

As set out above, the Majority Shareholders have opted to offer their Rights (or 70% of their Rights in the case of Malampaya Investments Limited) for subscription to Intermediaries pursuant to the Majority Shareholders' Rights Offer. In the event that the said Rights are not subscribed to in full by Intermediaries, the amount so unsubscribed shall constitute Lapsed Rights and shall form part of the Lapsed Rights Offer in accordance with the provisions detailed at section 13.13 below.

Eligible Shareholders who wish to transfer following payment of Share Offer Price

If, after following any of the procedures detailed in the preceding section entitled "Further Procedures for Transferring Rights", but always before the closing of the Rights Issue Period, the Eligible Shareholder who has already paid the Share Offer Price wishes to transfer them, fully paid, to one or more transferee(s), then the Eligible Shareholder shall apply in writing to an Intermediary specifying the details of the proposed transfer by and not later than 10.00am on 18 January 2016.

The Company reserves the right to refuse to register any transfer of such rights in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside Malta.

13.11 PAYMENT

13.11.1 PAYMENT BY ELIGIBLE SHAREHOLDERS

Delivery of the Provisional Allotment Letter(s) together with proof of payment (in cleared funds and net of transfer charges) by the Eligible Shareholder to the Intermediary must be made as soon as possible and in any event so as to be received by the Intermediary by not later than 10.00am on 18 January 2016.

No interest will be paid on payments made before they are due.

13.11.2 PAYMENT BY INTERMEDIARIES

Payment for the New Ordinary Shares by the Intermediaries must be made in Euro and must reach the Registrar's Account in cleared funds and net of transfer charges, and may be made by SWIFT or account transfer. Coordinates of the payment instructions are available with the Intermediary.

No interest will be paid on payments made before they are due.

13.12 COMPANY'S ACCEPTANCE

13.12.1 ISSUER'S DISCRETION AS TO THE VALIDITY OF ACCEPTANCE

If the Provisional Allotment Letters and proof of payment of cleared funds do not reach the Registrar by 1.30 pm on 18 January 2016, the provisional allotment will be deemed to have been declined and will lapse and it will be treated in accordance with the provisions detailed at section 13.13 below. The Company may, with the agreement of the Registrar, but shall not be obliged to, treat as valid Provisional Allotment Letters accompanied by proof of payment received later than 1.30 pm on 18 February 2016.

The Company may also, with the agreement of the Registrar, but shall not be obliged to, treat Provisional Allotment Letters as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

13.13 PROCEDURE IN RESPECT OF RIGHTS NOT TAKEN UP (LAPSED RIGHTS)

13.13.1 LAPSED RIGHTS

If an entitlement to New Ordinary Shares is not validly taken up by 10.00am on 18 January 2016, in accordance with the procedure laid down in this Prospectus for acceptance and payment of Rights, then that provisional allotment to the particular Eligible Shareholder will be deemed to have been renounced and will lapse. In such an event the nil paid Rights will become Lapsed Rights.

Pursuant to the Listing Rules, the Issuer will endeavour to sell the Lapsed Rights on behalf and for the account of the holders of the Lapsed Rights. In this regard, the Company intends to comply with this obligation under the Listing Rules by making a Lapsed Rights Offer within the Lapsed Rights Offer Period, i.e. between 22 January 2016 and the 27 January 2016.

In accordance with the Listing Rules, any premium over the Share Offer Price, (where such premium exceeds five Euro (€5) on a per shareholder basis and net of any expenses which might be incurred by the Company), obtained by the Company from the disposal of the Lapsed Rights with any of the methods described above shall be paid as follows:-

- (i) where the entitlement to the New Ordinary Shares was, at the time of lapsing, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter; and
- (ii) where an entitlement to New Ordinary Shares is treated as not taken up by an Overseas Shareholder, to that Overseas Shareholder.

The said premium will be paid by means of a cheque in Euro, without interest, and mailed at the shareholders' own risk to the address appearing on the Provisional Allotment Letter. Any expenses or charges connected with such payment shall be borne by the respective Eligible Shareholder. The Company and the Registrar expressly disclaim any and all responsibility for any remittances that may be lost or otherwise mislaid through the mail.

13.13.2 LAPSED RIGHTS OFFER

In the event of Lapsed Rights, and pursuant to the Intermediaries Lapsed Rights Agreements, the Issuer shall invite Intermediaries to make an offer for such Lapsed Rights for their own account or for the account of their clients, provided that such offers may only be made by the Intermediaries during the Lapsed Rights Offer Period.

Pursuant to such Lapsed Rights Offer, the Intermediary may place offers to the Issuer to subscribe for such Lapsed Rights.

Offers will be accepted by the Issuer on behalf and for account of the Lapsed Rights Holders strictly on the basis of best price, and Lapsed Rights will be allocated accordingly. The Issuer, however, reserves the right not to accept any offer if, in its sole discretion, it considers such offer not to be in the interest of Lapsed Rights Holders. In the event that there are offers at the same price for more than there are Lapsed Rights available, these will be allocated pro rata to the respective Intermediary, as the case may be. In respect of the Lapsed Rights Offer, a determination by the Registrar as to the acceptance or otherwise by the Issuer of an offer shall be conclusive and binding on all Intermediaries.

In terms of Appendix 3.1 of the Listing Rules, the Listing Authority may require a list of the names of the Intermediaries to whom securities were allocated and a list of the names and addresses of the clients of each Intermediary to whom New Ordinary Shares were in turn allocated.

The minimum number of Lapsed Rights for which the Intermediary may submit one or more offers shall be one thousand (1,000) New Ordinary Shares in the aggregate.

The minimum price for which an offer may be submitted shall be the Share Offer Price of €1.50 per share.

Acceptance and allocation of offers will be communicated to the Intermediaries as soon as practicable but in any event not later than 5.00pm hours on 29 January 2016. The invitation to offer by the Issuer will be made pursuant to and as subject to the Prospectus and the Terms and Conditions set out herein.

The Lapsed Rights will not be admitted to trading on any regulated market in Malta or otherwise.

13.14 OVERSEAS SHAREHOLDERS AND EXCLUDED TERRITORIES

13.14.1 GENERAL

THE OFFER OF NEW ORDINARY SHARES UNDER THE RIGHTS ISSUE AND THE LAPSED RIGHTS OFFER TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, OR WHO HAVE A REGISTERED ADDRESS IN, COUNTRIES OTHER THAN MALTA MAY BE AFFECTED BY THE LAW OF THE RELEVANT JURISDICTION. THOSE PERSONS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS (INCLUDING TAX ADVISERS) AS TO WHETHER THEY REQUIRE ANY GOVERNMENTAL OR OTHER CONSENTS OR NEED TO OBSERVE ANY OTHER FORMALITIES TO ENABLE THEM TO TAKE UP THEIR RIGHTS.

This section sets out the restrictions applicable to Eligible Shareholders who have registered addresses and/or who are citizens or residents of Excluded Territories.

Any person (including, without limitation, nominees and trustees) outside Malta wishing to take up his rights under the Rights Issue must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The comments set out in this section are intended as a general guide only and any Eligible Shareholder who is in doubt as to his position should consult his independent professional adviser without delay. Having considered the circumstances, the Directors have formed the view that it is necessary or expedient to restrict the ability of persons in the Excluded Territories to take up rights to New Ordinary Shares or otherwise participate in the Rights Issue due to the time and costs involved in the registration of this Prospectus and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Provisional Allotment Letters will not be sent to Eligible Shareholders with registered addresses in Excluded Territories, except where in the absolute discretion of the Issuer it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction. In these circumstances the New Ordinary Shares provisionally allotted to such Eligible Shareholders will be offered as if they were Lapsed Rights, in accordance with the provisions of section 13.13 of this Prospectus.

Accordingly, receipt of this document and/or a Provisional Allotment Letter will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter will be sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or a Provisional

Allotment Letter in any Excluded Territory, may treat the same as constituting an invitation or offer to him, nor should he in any event deal with the Provisional Allotment Letter unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Provisional Allotment Letter could lawfully be used or dealt with without contravention of any unfulfilled registration or other legal or regulatory requirements.

The provisions of this section 13.14 will apply generally to Overseas Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them on the basis that such action would result in a contravention of applicable legal or regulatory requirements in the relevant jurisdiction.

New Ordinary Shares which Eligible Shareholders with registered addresses in Excluded Territories would otherwise have been entitled to receive, will be offered as if they were Lapsed Rights under the Rights Issue, in accordance with section 13.13. Any premium obtained over the Share Offer Price will be paid to such Eligible Shareholders, save that individual amounts of less than five euros (EUR 5) net of any expenses will not be distributed but will be retained for the benefit of the Issuer.

13.14.2 UNITED STATES OF AMERICA

This document and any Provisional Allotment Letter are intended only for use in connection with the Rights Issue outside of the United States of America and are not to be given or sent, in whole or in part, to any person within the United States of America.

13.15 REPRESENTATIONS AND WARRANTIES OF ELIGIBLE SHAREHOLDERS

By completing and delivering the Provisional Allotment Letter, each of the Eligible Shareholders:

- (a) subject to the right of the Company to reject, in whole or in part, a Provisional Allotment Letter and subject to the right of the Company to revoke the offer as each right is respectively set out in this Prospectus, agrees that it has entered into a contract with the Company as subject to all the terms and conditions set out in this Prospectus and the PAL;
- (b) agrees to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Company and the issue of the New Ordinary Shares contained therein;
- (c) confirms that in completing the Provisional Allotment Letter no reliance was placed on any information or representation in relation to the Company or the issue of the New Ordinary Shares other than those contained in this Prospectus and accordingly agrees that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (d) agrees to provide the Registrar, the Intermediary and/or the Company, as the case may be, with any documents and/or information which they may request in connection with the Provisional Allotment Letter(s);
- (e) warrants, in connection with the Provisional Allotment Letter(s), to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Provisional Allotment Letter in any territory and that it has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the New Ordinary Shares or the Provisional Allotment Letter;
- (f) warrants that all applicable exchange control or other such regulations have been duly and fully complied with;
- (g) represents that the Eligible Shareholder is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (h) represents that the Eligible Shareholder does not have his registered address and/or is not a citizen or resident of any Excluded Territory;
- (i) agrees that Bank of Valletta p.l.c. in its capacity as Registrar (but not in its capacity as Intermediaries) will not treat the Eligible Shareholders as its customer by virtue of Eligible Shareholders completing the Provisional Allotment Letter to subscribe for the New Ordinary Shares;

- (j) agrees that all documents in connection with the issue of the New Ordinary Shares will be mailed at the Eligible Shareholders' own risk and may be sent at the address (or, in the case of joint Provisional Allotment Letters, the address of the first named Eligible Shareholders) as set out in the Provisional Allotment Letter;
- (k) for the purposes of the AML Rules, all appointed Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440, laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

13.16 TIMES AND DATES

The Company shall in its discretion be entitled to amend the dates that the PAL is despatched or amend or extend the latest date for acceptance or instruction under the Rights Issue and all related dates set out in this Prospectus and the PAL and in such circumstances shall notify the Listing Authority and make a company announcement. In the event that such a company announcement is made, Eligible Shareholders may not receive any further written communication in respect of such amendment or extension of the dates included in this Prospectus.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Rights Issue specified in the Prospectus, the latest date for acceptance or instruction under the Rights Issue and Lapsed Rights Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

In any event the Rights Issue Period will not be less than fourteen (14) days as per the requirements of the applicable Listing Rules.

13.17 GOVERNING LAW

The Terms and Conditions as set out in this Prospectus and the Provisional Allotment Letter and any non-contractual obligations arising out of or in relation to the Rights Issue or the Lapsed Rights Offer shall be governed by, and construed in accordance with, Maltese law.

13.18 JURISDICTION

The courts of Malta are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue or the Lapsed Rights Offer, this Prospectus or the Provisional Allotment Letter (including any dispute relating to any non-contractual obligations arising out of or in connection with any of them).

By accepting rights under the Rights Issue or the Lapsed Rights Offer, as the case may be, in accordance with the instructions set out in the Prospectus and the Provisional Allotment Letter, Eligible Shareholders and any other person who participates in the Rights Issue or the Lapsed Rights Offer, irrevocably submit to the jurisdiction of the courts of Malta and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART G

94

14.0 TERMS AND CONDITIONS OF THE BONDS

14.1 STATUS

The obligations in regards to the Bonds constitute the unsecured debt obligations of the Issuer and shall at all times rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer.

14.2 RIGHTS ATTACHED TO THE BONDS

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest and in accordance with the ranking specified herein.

14.3 DENOMINATION, ISSUE PRICE, CURRENCY & FORM & TITLE

(a) Denomination, Currency & Issue Price

The Euro Bonds have a nominal value of €100 per Bond and shall be issued at a Bond Issue Price of €100 per Euro Bond.

The USD Bonds have a nominal value of \$100 per Bond and shall be issued at a Bond Issue Price of \$100 per USD Bond.

(b) Form & Title

The Bonds shall be issued in fully registered and dematerialised form without interest coupons and are represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer. There will be entered in such electronic register, the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the holders of the Bonds ("**Bondholders**") and particulars of the Bonds held by them respectively and a copy of the Bondholder's entry into the register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the register of Bonds held by the CSD.

The CSD will issue, upon a request by the Bondholder, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

14.4 INTEREST

In this section entitled "Terms and Conditions of the Bonds", unless the context otherwise requires, the following defined terms shall have the meanings set out below:

- (1) "**Business Day**" means any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
- (2) "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Bond for any period of time (from and including the first day of such period to but excluding the last and whether or not constituting an Interest Period, the "**Calculation Period**");
"**Actual/Actual**", means and is calculated by applying the actual number of days in the Calculation Period divided by 365 or, when all or part of an Interest Period falls in a leap year, 366;
- (3) "**Interest Commencement Date**" means the 5 February 2016 or an anticipated date as provided in terms of the section 11.2 entitled "**Expected Timetable**";
- (4) "**Interest Payment Dates**" means the 5 February and 5 August of each year;

- (5) **"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;
- (6) **"Maturity Date"** means the 5 February 2026; and
- (7) **"Rate of Interest"** means in the case of the Euro Bonds, 4.5% per annum and in the case of the USD Bonds means 5.75% per annum.

Rate of Interest:

Each Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest and will be calculated on the basis of the Day Count Fraction, such interest being payable in arrears on each Interest Payment Date. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

In the event that any Interest Payment Date falls on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day (the **"Following Business Day Convention"**).

Accruals:

Interest shall cease to accrue on each Bond on the day preceding the Maturity Date thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest shall continue to accrue at the Rate of Interest up until the payment thereof.

Rounding:

For the purposes of any calculations required pursuant to this section (unless otherwise specified), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures shall be rounded to seven significant figures (with halves being rounded up), and, (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes **"unit"** means the lowest amount of such currency that is available as legal tender in the country of such currency.

14.5 MATURITY AND REDEMPTION

Subject to section 11.3 of this Prospectus, the Issuer will redeem the Bonds (together with payment of interest accrued thereon) at their nominal value on the 5 February 2026, being the Maturity Date.

14.6 YIELD

The gross yield of the Euro Bonds calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Maturity Date, is 4.5%.

The gross yield of the USD Bonds calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Maturity Date, is 5.75%.

14.7 NEGATIVE PLEDGE

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of them remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of the Group's respective present or future assets or revenues to secure any Relevant Indebtedness (as defined below) of the Issuer unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Bonds are secured by a Security Interest equally and rateably with the Financial Indebtedness in question being so secured; or
- (ii) such other Security Interest is approved by a resolution duly passed by the Bondholders.

For the purposes of this section:

"Financial Indebtedness" means any indebtedness in respect of:

- (A) monies borrowed;
- (B) any debenture, bond, note, loan stock or other security;
- (C) any acceptance credit;
- (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset;
- (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased;
- (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; or
- (G) any guarantee, indemnity or similar assurance against financial loss of any person.

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Group;

"Permitted Security Interest" means:

- (A) any Security Interest arising by operation of law;
- (B) any Security Interest securing Financial Indebtedness, including bank loans and overdrafts, in the ordinary course of business;
- (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds;
- (D) any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the amount resulting after taking the Relevant Value and subtracting therefrom (i) the aggregate value of the liabilities of the Group secured by Security Interests referred to in (B) (C) and (D) above and (ii) the aggregate principal amount of the Bonds still outstanding at the time.

PROVIDED THAT the aggregate Security Interests referred to in (B), (C) and (D) above do not result in the Relevant Value of being less than the aggregate principal amount of the Bonds still outstanding together with one (1) year's interest thereon;

"Relevant Value" means the market value of the total assets of the Group.

14.8 PAYMENTS

Payment of the principal amount of the Euro Bonds will be made by the Issuer in Euro and payment of the principal amount of the USD Bonds will be by the Issuer made in USD to the person in whose name such Bonds are registered as at the close of business on the Maturity Date, with interest accrued up to (but excluding) the Maturity Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro as regards the payment of the Euro Bonds and denominated in USD as regards the payment of the USD Bonds and in each case held with any licensed bank in Malta. Such payment shall be effected on the Maturity Date. The Issuer shall not be responsible for any charges and any loss or delay in transmission. Upon payment of the Redemption Value (that is, the nominal amount), the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of any instalment of interest on a Bond will be made to the person in whose name such Bond is registered at least fifteen days prior to the Interest Payment Date by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account held with any licensed bank in Malta and denominated in Euro as regards the Euro Bonds and denominated in USD as regards the USD Bonds.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

14.9 ACCELERATION

Each Bondholder shall be entitled to declare his Bonds due and demand immediate redemption thereof at the Redemption Value, together with accrued interest, if any, to the date of repayment, in the event that any of the following events (each an **"Acceleration Event"**) occurs:

- (a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (b) the Issuer shall duly fail to perform or shall otherwise be in breach of any other material obligation contained in the Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (c) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- (d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.

14.10 MEETINGS OF BONDHOLDERS

Bondholders have the following powers exercisable by a resolution voted for, at a meeting of the Bondholders convened and held in accordance with the provisions of this, by a majority of Bondholders holding not less than seventy-five per cent (75%) of the outstanding principal amount for the time being of the Bonds:

- (i) power to approve any release, modification, waiver or compromise of any of the rights of the Bondholders (however arising) against the Issuer, provided that the Bondholders shall have the power to affect rights in respect of payments of interest payable on the Bonds or the payment of the principal amount upon redemption;
- (ii) power to authorise the Issuer to modify, alter, amend or add to the provisions contained in the Terms and Conditions and power to ratify and adopt any such modification, alteration, amendment or addition;
- (iii) power to approve any scheme of reconstruction of the Issuer or for the amalgamation of Issuer with any other company or corporation;
- (iv) power to approve an amendment to the use of proceeds of the Bond Issue;
- (v) power to approve the creation of a Security Interest in terms of Section 14.7 above.

The Issuer may, at any time, convene a meeting of the Bondholders and if it receives a written request by Bondholders holding ten per cent (10%) of the outstanding principal amount for the time being of the Bonds and is indemnified to its satisfaction against all costs, losses and expenses, the Issuer must convene a meeting of Bondholders. Meetings shall be convened and requested only for the purpose of considering a resolution specified in the immediately preceding paragraph. The time and place of the meeting must be specified by the Issuer.

A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose a quorum shall be considered present if there are Bondholders present, in person or by proxy, accounting for at least fifty per cent (50%) of the outstanding principal amount for the time being of the Bonds.

Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the memorandum and articles of the Issuer would chair a general meeting of shareholders) the meeting may then proceed to business and the Directors of the Issuer or the Bondholder(s) who requested the meeting (as the case may be) or their representatives shall present to the Bondholders the reasons for proposing the resolution. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the resolution to a vote of the Bondholders present.

The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.

Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply.

For so long as the Bonds remain listed, any resolution which may be proposed shall be subject to any laws, regulations, rules or bye-laws which may be applicable from time to time.

14.11 FURTHER ISSUES IN TRANCHES, PURCHASES AND CANCELLATION

The Issuer may from time to time, without the consent of the Bondholders, issue further additional debt securities (either having the same terms and conditions as any outstanding debt securities (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

The Issuer may at any time purchase Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders for such Bonds must be made available to all Bondholders. All Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

14.12 NOTICES

Any notice, including any notice declaring Bonds due shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer.

All notices issued by the Issuer concerning the Bonds will be made by means of electronic publication on the website of the MSE (www.borzamalta.com.mt), or, in addition and at the option of the Issuer, on the website of the Issuer (www.medservenergy.com). Any notice so given will be deemed to have been validly given on the date of such publication. Furthermore, Bondholders may request that any such notices be sent by post to the address contained in the register of Bondholders maintained by the CSD on behalf of the Issuer.

14.13 PRESCRIPTIVE PERIOD

In terms of article 2156 of the Civil Code (Cap. 16, laws of Malta), actions for the payment of interest on sums taken on loan and for the return of money given on loan (if the loan does not result from a public deed) are barred by the lapse of five years. Accordingly, actions for the payment of interest and principal on the Bonds are barred by the said prescriptive period.

14.14 BONDS HELD SUBJECT TO USUFRUCT

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).

14.15 LISTING

The Listing Authority has authorised the Bonds as admissible to listing by virtue of a letter dated 21 December 2015.

14.16 TAXATION

Where the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges, all amounts payable under the Bonds will be paid with deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Republic of Malta or any taxing authority therein. The Issuer will not be obliged to make any additional payments in respect of any such withholding or deduction imposed.

14.17 TRANSFERABILITY

Subject to the below, the Bonds are freely transferable in whole (that is, in integral wholes of €100/\$100 per Bond) in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time. Dealings on the MSE are expected to commence on 8 February 2016.

Bondholders are required to maintain a minimum holding of €50,000 per Euro Bond or \$55,000 per USD Bond and accordingly, each transfer of Euro Bonds or USD Bonds which would result in a Bondholder holding less than such minimum amounts is not permitted unless as a result of the said transfer, the Bondholder shall have disposed of all of his holding in the Euro Bonds or USD Bonds, as the case may be.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) in respect of any Bonds and to any applicable laws and regulations.

14.18 GOVERNING LAW AND JURISDICTION

The Bonds, as to form and content, and all the rights and obligations of the Bondholders and the Issuer, shall be governed by Maltese law.

The place of jurisdiction for all legal proceedings arising out of or in connection with the Bonds shall be Malta.

15.0 TERMS AND CONDITIONS OF THE BOND ISSUE

The Bonds shall be available for subscription by Intermediaries for their account or for the account of their clients (being investors that agree to acquire and hold a minimum of €50,000 Euro Bonds or \$55,000 USD Bonds) by means of the entry into of placement agreements (the “**Placement Agreements**”) by 12:00 on the 15 January 2016 (the “**Placement Date**”). The Placement Agreements and the obligations of the Issuer and the Intermediaries arising therefrom will be subject, *inter alia*, to the allotment of the Bonds becoming unconditional in terms of Section 11.4 of this Prospectus.

Intermediaries may submit the completed Placement Agreements on the Placement Date. Cleared funds need to be made available by the Intermediaries in respect of the amounts allotted to them under the Placement Agreements by the 29 January 2016.

Pursuant to the Placement Agreement, the Intermediaries shall be required to subscribe to a minimum of:

- (a) 650,000 New Ordinary Shares of the Majority Shareholders’ Rights; **and**
- (b) €3,000,000 in value of Euro Bonds and/or USD Bonds.

In allocating the Bonds amongst the Intermediaries, the Issuer shall give preference to those subscriptions for USD Bonds.

In the event that the Issuer does receive subscriptions on the Placement Date for the full value of Bonds in issue, that is, €30,000,000, the amount not taken up shall be made available for subscription to investors during the Bond Issue Period through Intermediaries (“**Bond Public Offer**”).

During the Bond Public Offer, the Bonds shall be available for subscription by investors through Intermediaries. The Issuer shall give priority to those Bond Applications received in respect of the USD Bonds over those received in respect of the Euro Bonds. The minimum application amount and minimum holding shall be €50,000 per Euro Bond investor and \$55,000 per USD Bond investor. Bond Applications in excess thereof shall be in multiples of €100 or \$100 as the case may be.

The maximum USD Bonds which may be subscribed for is \$34,230,000 USD Bonds (amount calculated on the basis of the \$ Rate of Exchange).

15.1 CONDITIONS

The allotment of the Bonds is subject to the conditions set out in section 11.4 of this Prospectus.

15.2 PRICING

The Bonds are being issued at par, that is, at €100 per Euro Bond and \$100 per USD Bond.

15.3 ALLOCATION

Within one (1) Business Day from the Placement Date, the Issuer shall determine and announce the basis of acceptance of subscriptions made pursuant to the Placement Agreements. The Issuer shall also inform the general public whether the Bond Public Offer shall be made or otherwise, depending on whether the Bonds have been subscribed in full by the Placement Date.

In the event of a Bond Public Offer, the Issuer shall, within five (5) Business Days of the closing of subscription lists, determine and announce the basis of acceptance of Bond Applications. In the event of an over-subscription of Bonds, the Issuer shall scale down each Bond Application to the minimum subscription amount of €50,000/\$55,000, as the case may be. Where following this scaling down exercise, the aggregate face value of applications remains in excess of those available for subscription, a ballot shall be held and the drawn Bond Applications shall be allocated Bonds of €50,000/\$55,000, as the case may be.

The registration advice and other documents and any monies returnable to Bond Applicants may be retained pending clearance of the remittance and any verification of identity as required by the AML Rules. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

15.4 ADMISSION TO TRADING

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 September 2015. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 4 February 2016 and trading is expected to commence on 5 February 2016.

15.5 TERMS AND CONDITIONS OF APPLICATION IN THE EVENT OF A BOND PUBLIC OFFER

In the event that the Bonds are not subscribed in full by the Intermediaries by the Placement Date, the Issuer shall make available the amount not taken up to investors by way of a Bond Public Offer during the Bond Issue Period, in which case, the following terms and conditions shall apply:

- (1) Investors may subscribe for Euro Bonds and/or USD Bonds by completing and submitting the relevant Bond Application Form set out in Annex III of this Prospectus. The Bond Issue Period will open at 8.30am on the 22 January 2016 and will close thereafter as may be determined by the Issuer, but in any event no later than 5pm on 27 January 2016.
- (2) The Bonds will be issued in multiples of €100 as regards the Euro Bonds and \$100 as regards the USD Bonds. The minimum subscription amount of Bonds that can be subscribed for and at all times held by Applicants is €50,000 for the Euro Bonds or \$55,000 for the USD Bonds.
- (3) The contract created by the Issuer's acceptance of a Bond Application filed by a Bond Applicant shall be subject to all the terms and conditions set out in sections 14 and 15 of this Prospectus and the Memorandum and Articles of Association of the Issuer. It is the responsibility of Bond Applicants to inform themselves as to the legal requirements of applying for Bonds including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

- (4) If a Bond Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/ resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Bond Application Form.
- (5) In the case of joint Bond Applications, reference to the Bond Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Bond Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all the joint holders. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- (6) Bond Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Bond Application Form is submitted. Any Bonds allocated pursuant to such a Bond Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Bond Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- (7) The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly no offer of Bonds will be made in the Excluded Territories being United States of America and any jurisdiction where the extension into or availability of the Bonds would breach any applicable law. The Bonds may not be offered or sold within the Excluded Territories or to or for the account or benefit of any U.S. Person.
- (8) This Prospectus is intended only for use in connection with the Bond Issue outside of the Excluded Territories and are not to be given or sent, in whole or in part, to any person within the Excluded Territories.
- (9) No person receiving a copy of the Prospectus or a Bond Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Bond Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Bond Application Form could lawfully be used without contravention of any registration or other legal requirements.
- (10) It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (11) Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down to the minimum holding of €50,000/\$55,000 as the case may be, per Applicant, any Bond Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Bond Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Bond Application Forms will be accepted and photocopies/facsimile copies will not be accepted.

- (12) In the event that a Bond Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Bond Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Bond Application Form, at the Bond Applicant's sole risk within five Business Days from the date of final allocation. The Issuer shall not be responsible for any charges, and any loss or delay in transmission.
- (13) The completed Bond Application Forms are to be lodged with any of the Intermediaries.
- (14) All Bond Application Forms must be accompanied by the full price of the Bonds applied for in Euro for the Euro Bonds and USD for the USD Bonds. Payment may be made either in cash or by cheque payable to "The Registrar – Medserv Bond Issue". In the event that cheques accompanying Bond Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Bond Application.
- (15) For the purposes of the AML Rules, all appointed Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- (16) By completing and delivering a Bond Application Form the Bond Applicant:
- (a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - (b) warrants that the information submitted by the Bond Applicant in the Bond Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Bond Applicant's address) appearing on the Bond Application Form and those held by the MSE in relation to the MSE account number indicated on the Bond Application Form, the details held by the MSE shall be deemed to be the correct details of the Bond Applicant;
 - (c) authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Bond Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Bond Applicant to whom the personal data relates;
 - (d) confirms that in making such Bond Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
 - (e) agrees that the registration advice and other documents and any monies returnable to the Bond Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the AML Rules, and that such monies will not bear interest;
 - (f) agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Bond Application;
 - (g) warrants, in connection with the Bond Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Bond Application in any territory, and that the Bond Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Bond Application;

- (h) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (i) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (j) represents that the Bond Applicant does not have a registered address and/or is not a citizen or resident of any Excluded Territory;
- (k) agrees that Bank of Valletta p.l.c. will not, in its capacity of Registrar, treat the Bond Applicant as its customer by virtue of such Bond Applicant making a Bond Application, and that Bank of Valletta p.l.c. as Registrar and Rizzo Farrugia & Co (Stockbrokers) Ltd as Sponsor will owe the Bond Applicant no duties or responsibilities concerning the price of the Bonds or their suitability;
- (l) agrees that all documents in connection with the issue of the Bonds will be sent at the Bond Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Bond Application Form;
- (m) renounces to any rights the Bond Applicant may have to set off any amounts the Bond Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

16.0 TAXATION OF THE BONDS AND THE SHARES

16.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Shares and Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal.

The following is a summary of the anticipated tax treatment applicable to investors in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive. The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Company at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors who do not deal in the acquisition and disposal of securities and/or bonds in the course of their normal trading activities. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Shares and/or Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

16.1.1 INCOME TAX ON ACQUISITION OF SHARES AND/OR BONDS

The acquisition of Shares and/or Bonds issued by the Issuer is outside the scope of the Income Tax Act, Cap 123 of the laws of Malta ("ITA") and therefore the acquisition thereof will not entail any immediate income tax implications for the investor acquiring the Shares and/or Bonds in the Company.

16.1.2 TAXATION STATUS OF THE COMPANY AND ITS SUBSIDIARIES

The Company is subject to tax in Malta at the standard corporate tax rate which currently stands at 35%.

Medserv Operations Limited, which is the 99.99% subsidiary of the Company, has over the past years until 30 June 2014 been eligible to tax credits provided under regulation 5 of the Business Promotion Regulations, Article 32 of the Business Promotion Act (hereinafter referred to as special tax credits) and regulation 4 of the Investment Aid Regulations, 2008. This company has also applied for investment tax credits under regulation 6 of the Investment Aid (July 2014) Regulations. Medserv Operations Limited currently has unutilised investment tax credits carried forward in terms of both the Business Promotion Regulations and the Investment Aid Regulations, 2008 as well as special tax credits. Subject to certain conditions being satisfied, these tax credits may be set off against the company's tax charge calculated at the standard corporate tax rate of 35%.

Investment tax credits are calculated as a percentage (currently 25% for medium-sized companies, as is currently the case of Medserv Operations Limited, in terms of the Investment Aid (July 2014) Regulations) of the amount invested in qualifying expenditure. Special tax credits may only be utilised up to the financial year ending 31 December 2020.

Medserv Operations Limited must first utilise the investment tax credits and in the event that it would remain liable to pay tax, it would be entitled to utilise the special tax credits (net of the investment tax credits which became available by virtue of the same qualifying expenditure giving rise to special tax credits and which would have been utilised). Any investment tax credits or special tax credits which are not utilised to relieve the tax of any particular year are increased by the "reference rate" for Malta as calculated by the EU Commission (currently 0.17%) and carried forward to be deducted from the tax payable of the following years.

All of the Issuer's other subsidiaries in Malta are subject to tax in Malta at the standard corporate tax rate of 35%. Income from foreign sources received by such companies (including capital gains, dividends, interest and any other income) is also subject to tax in Malta at the rate of 35% but these companies may claim relief for double taxation as determined in terms of the provisions of Part X of the ITA against their income tax liability.

16.1.3 INCOME TAX ON DIVIDENDS ARISING FROM THE HOLDING OF SHARES

Further to an election in terms of Rule 9 of the Tax Accounts (Income Tax) Rules, taxed profits earned by the Issuer and its Subsidiaries which would otherwise stand to be allocated to the Foreign Income Account and the Maltese Taxed Account are allocated to the Immovable Property Account.

Dividends payable out of profits allocated to the Immovable Property Account of the Issuer will be distributed to the shareholders net of any income tax paid thereon.

Under the full imputation system, the underlying tax deducted from a dividend is generally considered as tax at source on the dividend in question. A shareholder resident in Malta would thus be liable to tax on the gross amount of the dividend, and the tax at source deducted thereon would be taken into account in determining his net tax liability (or any tax refund due). However, distributions from the Immovable Property Account would be exempt from income tax in the hands of an individual (and as such, the full imputation system would not apply) where the individual's chargeable income exceeds the relevant thresholds set out in Article 12(1)(c)(iii)(C)(b) of the ITA.

The extent to which this principle will also apply to non-residents will depend on the tax law of their country of residence, domicile or nationality and on the provisions of any double taxation agreements which may exist between Malta and the country in question. Non-resident shareholders will need to take specific advice on the particular rules applicable thereto.

The chargeable income of Medserv Operations Limited which would have been relieved from tax consequent to tax credits will also be allocated to the Immovable Property Account and upon distribution will be exempt from income tax in the hands of the Company and in turn allocated to its Immovable Property Account. Furthermore, on a subsequent payment of dividends by the Issuer to its shareholders, these dividends will remain exempt in the hands of the shareholders of the Company and where a dividend is distributed to a shareholder of the Company which is also a company ("the second company"), the said dividend will likewise be distributable by the second company to its own members exempt from tax. This principle will continue to be applied for as long as the gains or profits or part thereof which have been relieved from the payment of income tax as aforesaid are distributed by way of dividends.

When dividends are distributed from the Untaxed Account and the receiver thereof falls under the definition of recipient, the dividend would be subject to a 15% withholding tax. For this purpose, Article 61 of the ITA defines "recipient" as:

- (i) a person, other than a company, resident in Malta in the year in which a dividend is received by him or any person on his behalf; or
- (ii) a non-resident person (including a non-resident company) who is owned and controlled by, directly or indirectly, or who acts on behalf of, an individual who is ordinarily resident and domiciled in Malta; or
- (iii) a trustee of a trust where the beneficiaries of such trust are persons referred to in subparagraphs (i) and (ii); or
- (iv) an EU/EEA individual (and his or her spouse where applicable) in the circumstances envisaged by the first and second provisos to Article 56(1)(c).

This withholding tax may be considered to be a final tax and such shareholder need not declare the dividend so received in his/her income tax return. On the other hand the recipient may be entitled to claim a full/partial refund of the 15% tax which would have been withheld by the Company; this depends on the marginal rate of tax at which the recipient would be liable to tax.

16.1.4 MALTA TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bond Holder or if the Bond Holder does not fall within the definition of "recipient" in terms of article 41(c) of the ITA, interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the ITA. Bond Holders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. For the purpose of the above, a "recipient" is generally a person who is resident in Malta during the year in which investment income is payable to him or other persons or entities acting on behalf of such resident person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall be paid or applied to or for the benefit of such resident persons or an EU/EEA individual (and his or her spouse where applicable) in the circumstances envisaged by the first and second provisos to Article 56(1)(c).

The withholding tax is considered a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the progressive rate/s applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the ITA. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the ITA.

In terms of article 12(1)(c) of the ITA, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the ITA are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

16.1.5 EUROPEAN UNION SAVINGS DIRECTIVE

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Commissioner for Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive, Council Directive 2003/48/EC. Given that this Directive was repealed by the Council on 10 November 2015, such exchange of information will no longer be required as of 1 January 2016.

Automatic Exchange of Information

US Persons and residents of Participating Jurisdictions⁵ should note that they may be reported upon on an annual basis to the Commissioner for Revenue who will in turn exchange the information with the IRS or competent tax authority of the Participating Jurisdiction within which the investor is resident, depending on the Foreign Account Tax Compliance Act and/or Common Reporting Standard classification of the Company or any company within the Medserv Group, in terms of local Regulations.

Other

Each investor ought to seek tax advice as to its own tax compliance obligations.

16.1.6 INCOME TAX ON CAPITAL GAINS ON TRANSFER OF THE SHARES AND/OR BONDS

In general, capital gains derived from the disposal of Shares in the Issuer are exempt from tax in the hands of the investor in terms of Article 5(6)(b) of the ITA.

Furthermore, as the Bonds do not fall within the definition of “securities” which in terms of article 5(1)(b) of the ITA, refers to, “shares and stocks and such like instruments that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, no Malta tax on capital gains is chargeable in respect of transfer of the Bonds held as capital assets at the time of disposal.

16.1.7 DUTY ON DOCUMENTS AND TRANSFERS

In accordance with current legislation, if, and for as long as, the Shares are listed on the Malta Stock Exchange, no duty on documents (stamp duty) is payable on any transfer of these Shares.

In terms of article 50 of the Financial Markets Act, (Cap 345, Laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the Malta Stock Exchange, redemptions and transfers of the Bonds are exempt from Maltese duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF SHARES AND BONDS AS WELL AS DIVIDEND AND INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SHARES AND BONDS ACQUIRED BY INVESTORS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN SECURITIES AND BONDS IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

⁵ Participating Jurisdiction – jurisdiction which has committed to the OECD’s Common Reporting Standard.

ANNEXES

108

ANNEX I LIST OF INTERMEDIARIES

Name	Address	Telephone
APS Bank Ltd	17, Republic Street, Valletta VLT 1111	25671719
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri & Co. Ltd	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Crystal Finance Investments Ltd	10, First Floor, City Gate, Valletta VLT 1010	21226190
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	23426000
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta' Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265690
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	21332200
Michael Grech Financial Investment Services Ltd	1, Mican Court, JF Kennedy Square, Victoria, Gozo VCT 2580	21554492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000

ANNEX II

PROVISIONAL ALLOTMENT LETTERS (PALs) & INSTRUCTIONS SHEET



PAL A - ALL

Rights Issue of 10,000,000 New Ordinary Shares offered at €1.50 per Share
PROVISIONAL ALLOTMENT LETTER ("PAL") - A

Your Rights to the New Ordinary Shares of Medserv p.l.c. are as follows:

I	Eligible Shareholder/s:	MSE Account Number:
	Shareholding as at 29 December 2015: (Record Date)	
	Rights to New Ordinary Shares: (Fractional share Rights are rounded up to the nearest whole share)	

By completing the relevant boxes, signing this **PAL A** and returning it to the Intermediary by 18 January 2016 by 10.00 am, you will be confirming your election to take up **ALL** your Rights to the New Ordinary Shares.

II I/We accept to purchase and acquire **ALL** of my/our Rights:

TOTAL NUMBER OF NEW ORDINARY SHARES (in figures)	TOTAL NUMBER OF NEW ORDINARY SHARES (in words)	AMOUNT PAYABLE (€1.50 per New Ordinary Share)

DIVIDEND MANDATE	
Bank	IBAN

I/We hereby declare that I/we have fully understood the implications of the completion of this PAL on the basis of the Prospectus dated 21 December 2015, the terms and conditions of which are hereby incorporated by reference, and I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent, and I/we have presented to the total amount payable/deposit slip/other documentary evidence as proof that the total applicable amount has been paid.

Signature/s of Eligible Shareholder/s

1.

2.

3.

Date

I/We, being a usufructuary of the Existing Ordinary Shares, do hereby consent to the above (where applicable).

Intermediary's Stamp

Name and Surname _____ ID _____ Signature _____

ANNEX II

PROVISIONAL ALLOTMENT LETTERS (PALs) & INSTRUCTIONS SHEET



PAL B - SPLIT

Rights Issue of 10,000,000 New Ordinary Shares offered at €1.50 per Share
PROVISIONAL ALLOTMENT LETTER ("PAL") - B

Your Rights to the New Ordinary Shares of Medserv p.l.c. are as follows:

I Eligible Shareholder/s:	MSE Account Number:
Shareholding as at 29 December 2015: (Record Date)	
Rights to New Ordinary Shares: (Fractional share Rights are rounded up to the nearest whole share)	

By completing the relevant boxes, signing this **PAL B** and returning it to the Intermediary by 18 January 2016 by 10.00am, you confirm your election to take up only **PART** and **TRANSFER** or **LAPSE** the remaining part of your Rights to the New Ordinary Shares.

II I/We accept to purchase and acquire **PART** of my/our Rights:

PARTIAL TAKE UP		
TOTAL NUMBER OF NEW ORDINARY SHARES (in figures)	TOTAL NUMBER OF NEW ORDINARY SHARES (in words)	TOTAL AMOUNT PAYABLE (€1.50 per New Ordinary Share)
BALANCE OF NEW ORDINARY SHARES (PARTIAL TAKE UP)		
(in figures)	(in words)	
DIVIDEND MANDATE		
Bank	IBAN	

I/We hereby declare that I/we have fully understood the terms and conditions of this PAL on the basis of the Prospectus dated 21 December 2015, the terms and conditions of which are hereby incorporated by reference, and I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent, and I/we have provided the total amount payable/deposit slip/other documentary evidence as proof that the total applicable amount has been paid.

Signature/s of Eligible Shareholder/s

1. _____ 2. _____ 3. _____

Declaration by transferee/s

I/We have irrevocably agreed to acquire that portion of the Rights of the Eligible Shareholder/s to the New Ordinary Shares as detailed below:

III DECLARATION OF TRANSFEREE/S			
1. Title (Mr/Mrs/Ms/...)	Full Name & Surname / Registered Name		
Address (including post code)			
MSE A/C No. (if applicable)	ID Card/Passport/Co Reg No.	Tel. No.	☐ Non-Resident ☐ Minor ☐ Body Corporate / Body of Persons
TOTAL AMOUNT PAYABLE (in figures)	TOTAL AMOUNT PAYABLE (in words)	TOTAL AMOUNT PAYABLE (€1.50 per New Ordinary Share)	
DIVIDEND MANDATE			
Bank	IBAN		



PAL B - SPLIT (continuation)

DECLARATION OF TRANSFEREE/S			
2. Title (Mr/Mrs/Ms/...)	Full Name & Surname / Registered Name		
Address (including post code)			
MSE A/C No. (if applicable)	ID Card/Passport/Co Reg No.	Tel. No.	☐ Non-Resident ☐ Minor ☐ Body Corporate / Body of Persons
TOTAL AMOUNT PAYABLE (in figures)	TOTAL AMOUNT PAYABLE (in words)	TOTAL AMOUNT PAYABLE (€1.50 per New Ordinary Share)	

DIVIDEND MANDATE	
Bank	IBAN

IV MINOR'S PARENTS/LEGAL GUARDIANS

1. Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card/Passport Number
2. Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card/Passport Number

Signature/s of transferee/s (Both parents or legal guardian/s if the transferee is a minor. All parties are to sign in the case of a joint transfer.)

I/We hereby declare that I/we have fully understood the implications of the completion of this PAL on the basis of the Prospectus dated 21 December 2015, the terms and conditions of which are hereby incorporated by reference and I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent, and I/we have attached the total amount payable/deposit slip/other documentary evidence as proof that the total applicable amount has been paid.

1. _____ 2. _____ 3. _____

BALANCE OF LAPSED RIGHTS (IF ANY)	
(in figures)	(in words)

Date _____

I/We, being a usufructuary of the Existing Ordinary Shares, do hereby consent to the above (where applicable).

Intermediary's Stamp

Name and Surname _____ ID _____ Signature _____

ANNEX II

PROVISIONAL ALLOTMENT LETTERS (PALs) & INSTRUCTIONS SHEET

MEDSERV **PAL C - TRANSFER**

Rights Issue of 10,000,000 New Ordinary Shares offered at €1.50 per Share
PROVISIONAL ALLOTMENT LETTER ("PAL") - C

Your Rights to the New Ordinary Shares of Medserv p.l.c. are as follows:

I	Eligible Shareholder/s:	MSE Account Number:
	Shareholding as at 29 December 2015: (Record Date)	
	Rights to New Ordinary Shares: (Fractional Share Rights are rounded up to the nearest whole share)	

By completing the relevant boxes, signing this **PAL C** and returning it to the Intermediary by 18 January 2016 by 10.00am, you shall confirm your election to **TRANSFER ALL** of your Rights or **TRANSFER PART** and **LAPSE** the remaining Rights to the New Ordinary Shares.

II I/We accept to transfer **ALL** or **PART** OF the Rights as follows:

TRANSFER		
TOTAL NUMBER OF NEW ORDINARY SHARES (in figures)	TOTAL NUMBER OF NEW ORDINARY SHARES (in words)	TOTAL AMOUNT PAYABLE (€1.50 per New Ordinary Share)
BALANCE OF LAPSED RIGHTS		
(in figures)	(in words)	
DIVIDEND MANDATE		
Bank	IBAN	

I/We hereby declare that I/we have fully understood the terms and conditions of this PAL on the basis of the Prospectus dated 21 December 2015, the terms and conditions of which are hereby incorporated by reference, and I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

Signature/s of Eligible Shareholder/s

1. _____ 2. _____ 3. _____

Declaration by transferee/s

I/We have irrevocably agreed to acquire that portion of the Rights of the Eligible Shareholder/s to the New Ordinary Shares as detailed below:

III **DECLARATION OF TRANSFEREE/S**

1. Title (Mr/Mrs/Ms/...)	Full Name & Surname / Registered Name		
Address (including post code)			
MSE A/C No. (if applicable)	ID Card/Passport/Co Reg No.	Tel. No.	☐ Non-Resident ☐ Minor ☐ Body Corporate / Body of Persons
TOTAL AMOUNT PAYABLE (in figures)	TOTAL AMOUNT PAYABLE (in words)	TOTAL AMOUNT PAYABLE (€1.50 per New Ordinary Share)	
DIVIDEND MANDATE			
Bank	IBAN		

Page 1 of 2



PAL C - TRANSFER (continuation)

DECLARATION OF TRANSFEREE/S			
2. Title (Mr/Mrs/Ms/...)		Full Name & Surname / Registered Name	
Address (including post code)			
MSE A/C No. (if applicable)	ID Card/Passport/Co Reg No.	Tel. No.	☐ Non-Resident ☐ Minor ☐ Body Corporate / Body of Persons
TOTAL AMOUNT PAYABLE (in figures)	TOTAL AMOUNT PAYABLE (in words)	TOTAL AMOUNT PAYABLE (€1.50 per New Ordinary Share)	

DIVIDEND MANDATE	
Bank	IBAN

IV MINOR'S PARENTS/LEGAL GUARDIANS

1. Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card/Passport Number
2. Title (Mr/Mrs/Ms/...)	Full Name & Surname	ID Card/Passport Number

Signature/s of transferee/s (Both parents or legal guardian/s if transferee is a minor. All parties are to sign in the case of a joint transfer.)

I/We hereby declare that I/we have fully understood the terms and conditions of this PAL on the basis of the Prospectus dated 21 December 2015, the terms and conditions of which are hereby incorporated by reference and hereby confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent, and I/we are not providing any other evidence as proof that the total applicable amount has been paid.

1. _____ 2. _____ 3. _____

BALANCE OF LAPSED RIGHTS (IF ANY)	
(in figures)	(in words)

Intermediary's Stamp

Date _____

I/We, being a usufructuary of the Existing Ordinary Shares, do hereby consent to the above (where applicable).

Name and Surname _____ ID _____ Signature _____

ANNEX II

PROVISIONAL ALLOTMENT LETTERS (PALs) & INSTRUCTIONS SHEET



INSTRUCTIONS SHEET

RIGHTS ISSUE OF 10,000,000 NEW ORDINARY SHARES OFFERED AT €1.50 PER SHARE
Instructions for completion

PROVISIONAL ALLOTMENT LETTER ("PAL")

IMPORTANT: READ THE FOLLOWING INSTRUCTIONS CAREFULLY
BEFORE COMPLETING THE RELEVANT PAL

1. The following is to be read in conjunction with the Prospectus dated 21 December 2015 (the "Prospectus").
2. There are 3 (three) PALs:
 - (a) **'PAL A – ALL'** (white copy) is to be completed by the Eligible Shareholder/s wishing to exercise his/her entitlement;
 - (b) **'PAL B – SPLIT'** (blue copy) is to be completed by the Eligible Shareholder/s wishing to exercise part of, and TRANSFER or LAPSE the remaining part of his/her rights;
 - (c) **'PAL C – TRANSFER'** (yellow copy) is to be completed by the Eligible Shareholder/s wishing to TRANSFER ALL of the Rights or TRANSFER PART and LAPSE the remaining rights.
3. The PAL is to be completed in **BLOCK CHARACTERS**.
4. The relevant PAL/s must be accompanied by payment **IN CASHED FUNDS AND NET OF BANK TRANSFER CHARGES** for the amount in Euro of the New Ordinary Shares subscribed for. Payment is to be made by cheque, SWIFT or account transfer and shall be made to the Intermediary as per instructions received from them.
5. Eligible Shareholder/s and/or transferee/s shall be able to receive funds payable to them by the Issuer directly in a bank account held locally in Euro and is to be inserted by Eligible Shareholder/s in Panel II of the respective PAL and by transferee/s in Panel III of the respective PAL.
6. The Rights Issue opens on 4 January 2016 at 10.00am while the latest date for acceptance of the PAL/s will be 18 January 2016 at 10.00am (the "Rights Issue Period"). The Registrar, Intermediary or the Issuer will reject any PAL/s:
 - (a) received after the Rights Issue Period closes; and/or
 - (b) for which funds are still uncleared after the Rights Issue Period closes.
 - (c) which is in breach of the Terms and Conditions as defined and set out in the Prospectus.
- Eligible Shareholder/s and/or transferee/s are to ensure that payment for the exercise of Rights reach the Intermediary net of bank charges.
7. Panel I in each PAL has been pre-printed with details of Eligible Shareholder/s appearing on the Issuer's shareholders register of the CSD as at close of trading on the Record Date.
8. For PAL A, the Eligible Shareholder/s need only confirm the pre-printed details in Panels I and II by signing and dating the PAL and submit to the Intermediary the PAL A along with proof of payment.
9. PAL B is to be used only by the Eligible Shareholder/s wishing to exercise his/her rights partly by completing Panel II and partly transfer their Rights to a third party by completing Panel III and/or lapse the remaining Rights.
10. A transferee/s wishing to acquire Rights is/are to insert full personal details in Panel III of PAL B or PAL C as applicable. In the case of a transfer to more than one transferee, full details of each of the transferees must be provided in the additional fields indicated in Panel III.
11. Non-resident transferee/s must indicate their passport number in Panel III of PAL B or PAL C as applicable and tick the appropriate box accordingly.



- 12 In the case of an Eligible Shareholder or a transferee who is a minor, a Public Registry birth certificate must be provided and the respective PAL should be signed overleaf by the parents or the legal guardian/s as applicable. For Pal B and Pal C please tick the appropriate box in Panel III and insert details of the parents or legal guardian/s in Panel IV.
- 13 In case the Eligible Shareholder/s and transferee/s (if applicable) is a body corporate, the respective PAL must be signed by the duly authorised representatives indicating the capacity in which they are signing. Where a transferee/s under PAL B or PAL C is a body corporate, the name of the entity, exactly as it is registered, and the registration number are to be inserted in Panel III and tick the appropriate box accordingly. A person signing on behalf of that body corporate on any of the PALs shall bind that body corporate.
- 14 TRANSFEE/S WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER. TRANSFEREES ARE HEREBY NOTIFIED THAT ANY SHARES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE PAL. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE TRANSFEEE TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.
- 15 Where insufficient space is available in PALs B and C, an attachment (in the form of a blank PAL B or PAL C) shall be acceptable only as long as this is signed by the Eligible Shareholder/s and transferee/s (where applicable) and stamped by the Intermediary.
- 16 Completed PALs are to be sent by post or delivered to any Intermediary. Remittance by post is made at the risk of the Eligible Shareholder/s and/or transferee/s. The Issuer and the Registrar disclaim all responsibility for any such remittance not received by the closing of the Rights Issue Period.
- 17 Should any PAL be lost or destroyed or otherwise defaced and/or invalidated, the Eligible Shareholder/s and/or transferee/s must inform the Issuer on the details provided hereunder, who will provide a duplicate to be used in such instance.
- Medserv p.l.c.
Port of Marsaxlokk
Birzebugia, BBG 3011 Malta.
Telephone: (+356) 2220 2000
Email: investors@medservenergy.com
- 18 An Eligible Shareholder/s and/or transferee/s wishing to transfer their full entitlement to a third party before the closing of the Rights Issue Period, must apply to do so in writing to the Intermediary.
- 19 By completing and delivering the PAL each Eligible Shareholder/s and/or transferee/s acknowledges that:
- (a) the Intermediary, Registrar and/or the Issuer processes personal data in the PAL in accordance with the Data Protection Act 2001 (Cap.440);
 - (b) the Intermediary, Registrar and/or the Issuer processes such personal data for all purposes necessary for and related to the Rights Issue;
 - (c) he/she has the right to request access to a copy of the personal data relating to him/her, as processed by the Intermediary, Registrar and/or the Issuer. Any such request must be made by the Eligible Shareholder/s and/or transferee/s and made in writing to the Registrar;
 - (d) all terms and conditions of the Prospectus, including but not limited to the undertakings, representations and warranties contained therein, have been read and understood.
- 20 The capitalised terms used in the PAL have the same meaning as that assigned to them in the Prospectus.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. Prior to applying for the purchase of Rights, an investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.

ANNEX III

BOND APPLICATION FORM

MEDSERV

MEDSERV P.L.C.
4.5% EURO UNSECURED BONDS 2026
BOND APPLICATION FORM 'A' - EURO BONDS

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

BOND APPLICANT (see notes 2 to 7)			
A	☐ Non-Resident	☐ Minor (under 18)	☐ Body Corporate/ Body of Persons
B	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME	
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.
MOBILE NO.			
C ADDITIONAL (JOINT) BOND APPLICANTS (see note 4) (please use additional Bond Application Forms if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
		I.D. CARD/PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
		I.D. CARD/PASSPORT NO.	
D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Bond Applicant is a minor)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
		I.D. CARD/PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
		I.D. CARD/PASSPORT NO.	
E I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9):			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Medserv p.l.c. 4.5% Unsecured Bonds 2026 (the "Bonds") (minimum €250,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 21 December 2015 (the "Prospectus"), payable on application under the Terms and Conditions as defined in the said Prospectus. Trading in the Bonds on the Malta Stock Exchange will be subject to a minimum holding of €50,000.			
F RESIDENT - WITHHOLDING TAX DECLARATION (see note 10) (to be completed ONLY if the Bond Applicant is a Resident of Malta)			
☐ I/We elect to have Final Withholding Tax deducted from interest. ☐ I/We elect to receive interest GROSS (without deduction of withholding tax).			
G NON-RESIDENT - DECLARATION OF TAX PURPOSES (see notes 10 and 11) (to be completed ONLY if the Bond Applicant is a Non-Resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER		COUNTRY OF ISSUE	ISSUE DATE
☐ I/We am/are NOT resident in Malta but I/we am/are resident in the European Union ☐ I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union			
H INTEREST, REFUND AND REDEMPTION MANDATE (see note 12) Completion of this panel is MANDATORY			
BANK		IBAN	
I/We have fully understood the instructions for completing this Bond Application Form, and am/are making this Bond Application solely on the basis of the Prospectus, and subject to its Terms and Conditions as contained therein which I/we fully accept.			
Signature/s of Bond Applicant/s (Parent/s or legal guardian/s are/is to sign if Bond Applicant is a minor) (All parties are to sign in the case of a joint Bond Application)			Date
INTERMEDIARY'S STAMP		INTERMEDIARY'S CODE	BOND APPLICATION NUMBER



Notes on how to complete this Bond Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 December 2015 regulating the Bond Issue

1. This Bond Application is governed by the Terms and Conditions of the Bond Issue contained in Part G of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Bond Application Form is to be completed in BLOCK LETTERS.
3. Bond Applicants who are Non-Residents In Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
4. Bond Applicants are to insert full personal details in Panel B. In the case of a Bond Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).
5. Bond Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such a Bond Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Bond Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Bond Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **BOND APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. BOND APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE REGISTER QUOTED ON THE BOND APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM THOSE QUOTED ON THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE BOND APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
8. Bond Applications must be for a minimum of €50,000 and thereafter in multiples of €100. Transactions on the Malta Stock Exchange shall be subject to a minimum holding of €50,000. It is the responsibility of the Authorised Financial Intermediary to ensure that the minimum holding is maintained. Bonds made under Nominee and when Bonds are traded on the secondary market, are also subjected to the minimum of €50,000 per Bondholder/recipient.
9. **Payment must be made in Euro, in cleared funds to The Registrar - Medserv.** In the event that the cheque accompanying a Bond Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to reject the relative Bond Application.
10. Only Bond Applicants who hold a valid official Maltese Identity Card or passport are eligible to apply for Bonds in Malta. In such a case the Bond Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Bond Applicant's income tax return. The Bond Applicant may elect to receive the interest gross (without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. Interest received by non-resident Bond Applicants in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the relevant box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 16.1.4 of the Prospectus, unless the Bondholder is instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 349 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 349 of the Laws of Malta).
11. Until recently European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive") required all payors established in the EU which pay interest to an individual resident in a Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. Given that this Directive was repealed by Council Directive 2015/2376 on 10 November 2015, such exchange of information will no longer be required as of 1 January 2016.
However, due to US FATCA and OECD Common Reporting Standard ("CRS") automatic exchange of information regimes, US Persons and residents of jurisdictions which have committed to CRS (the "Participating Jurisdiction") should note that they may be reported upon on an annual basis to the Commissioner for Revenue who will in turn exchange the information with the IRS or competent tax authority of the Participating Jurisdiction within which the investor is resident, depending on the FATCA and/or CRS classification of the Company or any company within the Medserv Group, in terms of local Regulations.
The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Bond Applicants are to consult their own independent tax advisors in case of doubt.
12. If any Bond Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscription lists will open at 08.30 hours on 22 January 2016 and will close as soon thereafter as may be determined by the Issuer, but not later than 17.00 hours on 27 January 2016. The Issuer reserves the right to close the Bond Issue before 27 January 2016, in the event of over-subscription. The Issuer reserves the right to refuse any Bond Application which appears to be in breach of the Terms and Conditions of the Bonds as contained in the Prospectus. Any Bond Applications received by the Registrar after the subscription lists close will be rejected. Completed Bond Application Forms are to be delivered to any of the Intermediaries listed in Annex I of the Prospectus, during normal office hours. Remittances by post are made at the risk of the Bond Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
14. By completing and delivering a Bond Application Form you (as the Bond Applicant(s)) acknowledge that:
 - a. the Issuer may process the personal data that you provide in the Bond Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Bond Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Bond Applicant to whom the personal data relates.

The value of Investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX III

BOND APPLICATION FORM



MEDSERV P.L.C.
5.75% USD UNSECURED BONDS 2026
BOND APPLICATION FORM 'B' - USD BONDS

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

BOND APPLICANT (see notes 2 to 7)			
A	☐ Non-Resident	☐ Minor (under 18)	☐ Body Corporate/ Body of Persons
B	TITLE (Mr/Mrs/Ms/...) FULL NAME AND SURNAME / REGISTERED NAME ADDRESS POSTCODE MSE A/C NO. (if applicable) I.D. CARD / PASSPORT / COMPANY REG. NO. TEL. NO. MOBILE NO.		
C ADDITIONAL (JOINT) BOND APPLICANTS (see note 4) (please use additional Bond Application Forms if space is not sufficient)			
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Bond Applicant is a minor)			
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
E I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9):			
AMOUNT IN FIGURES USD		AMOUNT IN WORDS	
Medserv p.l.c. 5.75% Unsecured Bonds 2026 (the "Bonds") (minimum of USD 100,000 and in multiples of USD100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 21 December 2015 (the "Prospectus"), will be issued in full upon application under the Terms and Conditions as defined in the said Prospectus. Trading in the Bonds on the Malta Stock Exchange will be subject to a minimum holding of USD55,000.			
F RESIDENT - WITHHOLDING TAX DECLARATION (see note 10) (to be completed ONLY if the Bond Applicant is a Resident of Malta)			
☐ I/We elect to have Final Withholding Tax deducted from interest. ☐ I/We elect to receive interest (GROSS) and bear the burden of withholding tax.			
G NON-RESIDENT - DECLARATION OF TAX PURPOSES (see notes 10 and 11) (to be completed ONLY if the Bond Applicant is a Non-Resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER		COUNTRY OF ISSUE	ISSUE DATE
☐ I/We am/are NOT resident in Malta but I/we am/are resident in the European Union ☐ I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union			
H INTEREST, REFUND AND REDEMPTION MANDATE (see note 12) Completion of this panel is MANDATORY			
BANK		IBAN	
I/We have fully understood the instructions for completing this Bond Application Form, and am/are making this Bond Application solely on the basis of the Prospectus, and subject to its Terms and Conditions as contained therein which I/we fully accept.			
Signature/s of Bond Applicant/s (Parent/s or legal guardian/s are/is to sign if Bond Applicant is a minor) (All parties are to sign in the case of a joint Bond Application)			Date
INTERMEDIARY'S STAMP		INTERMEDIARY'S CODE	BOND APPLICATION NUMBER



Notes on how to complete this Bond Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 December 2015 regulating the Bond Issue

1. This Bond Application is governed by the Terms and Conditions of the Bond Issue contained in Part G of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Bond Application Form is to be completed in BLOCK LETTERS.
3. Bond Applicants who are Non-Residents In Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
4. Bond Applicants are to insert full personal details in Panel B. In the case of a Bond Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).
5. Bond Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such a Bond Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Bond Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Bond Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **BOND APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. BOND APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE BOND APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM THOSE ON THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE BOND APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
8. Bond Applications must be for a minimum of USD55,000 and thereafter in multiples of USD55,000. Bonds on the Malta Stock Exchange shall be subject to a minimum holding of USD55,000. It is the responsibility of the Authorised Financial Intermediary to ensure that applications for subscription of Bonds made under Nominee and when Bonds are traded on the secondary market, are also subjected to the minimum of USD55,000 underlying applicant/client.
9. **Payment must be made in USD, in cleared funds to The Registrar - Medserv.** In the event that the cheque accompanying a Bond Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to reject the relative Bond Application.
10. Only Bond Applicants who hold a valid official Maltese Identity Card or passport are eligible to apply for Bonds in Malta. In such a case the Bond Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Bond Applicant's income tax return. The Bond Applicant may elect to receive the interest gross (without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. Interest received by non-resident Bond Applicants in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 16.1.4 of the Prospectus, unless the Bondholder is instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 363 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%), of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 363 of the Laws of Malta).
11. Until recently European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Directive") required all payors established in the EU which pay interest to an individual resident in a Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. Given that this Directive was repealed by the Council on 10 November 2015, such exchange of information will no longer be required as of 1 January 2016.
However, due to US FATCA and OECD Common Reporting Standard ("CRS") automatic exchange of information regimes, US Persons and residents of jurisdictions which have committed to CRS (the "Participating Jurisdiction") should note that they may be reported upon on an annual basis to the Commissioner for Revenue who will in turn exchange the information with the IRS or competent tax authority of the Participating Jurisdiction within which the investor is resident, depending on the FATCA and/or CRS classification of the Company or any company within the Medserv Group, in terms of local Regulations.
The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Bond Applicants are to consult their own independent tax advisors in case of doubt.
12. If any Bond Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscription lists will open at 09.30 hours on 22 January 2016 and will close as soon thereafter as may be determined by the Issuer, but not later than 17.00 hours on 27 January 2016. The Issuer reserves the right to close the Bond Issue before 27 January 2016, in the event of over-subscription. The Issuer reserves the right to refuse any Bond Application which appears to be in breach of the Terms and Conditions of the Bonds as contained in the Prospectus. Any Bond Applications received by the Registrar after the subscription lists close will be rejected. Completed Bond Application Forms are to be delivered to any of the Intermediaries listed in Annex I of the Prospectus, during normal office hours. Remittances by post are made at the risk of the Bond Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
14. By completing and delivering a Bond Application Form you (as the Bond Applicant(s)) acknowledge that:
 - a. the Issuer may process the personal data that you provide in the Bond Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Bond Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Bond Applicant to whom the personal data relates.

The value of Investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX IV

CURRENT AND PAST DIRECTORSHIPS (OTHER THAN IN RELATION TO THE MEDSERV GROUP)

DIRECTORS

Anthony S. Diacono

Present Directorships

Commbank Europe Limited

Past Directorships (5 years)

Electro Fix Energy Ltd

Joseph FX Zahra

Present Directorships

Market Intelligence Services Co. Ltd.

MISCO International Ltd.

Misco Consulting Ltd

MiscoAdvisory Ltd

Misco Directors Network Ltd

HR Outsourcing & Temping Services Ltd

Impetus Europe Consulting Group Ltd

Corporate Identities Ltd

Alfred Zahra Holdings Ltd

Surge Consulting Ltd

3a Malta Ltd

Middlesea Insurance plc

Nemea Bank p.l.c.

United Finance plc

Pendergardens Developments plc

Multi Risk Ltd

Multi Risk Indemnity Ltd

Multi Risk Benefits Ltd

C.Fino & Sons Ltd

Documents Archive Management Ltd

Forestals Investments Ltd

DZ&A Corporate Ltd

United Group Ltd

Curmi & Partners Ltd

PowerImage Services Ltd (Cyprus)

Promise Professional Services Ltd (Cyprus)

3a Global Limited (Cyprus)

FIRE Spa (Italy)

DIRECTORS – Cont.**Joseph Zammit Tabona**

<i>Present Directorships</i>	<i>Past Directorships (5 years)</i>
Valletta Cruise Port plc	Mercanti Limited
Travel Shopping Limited	Malta Business Network (Malta) Limited
Klesch Group Limited	
Klesch Petroleum Limited	
Klesch Chemicals Limited	
KRS Releasing Limited	
Insignia Cards Limited	
Tigne Mall plc	
Xara Palace Hotel Co Limited	

Charles Daly

<i>Present Directorships</i>	<i>Past Directorships (5 years)</i>
Channoil Consulting Ltd	Mediterranean Oil Storage Terminal Limited
Malta Petroleum Training Academy Ltd	

EXECUTIVE MANAGEMENT**Godfrey Attard**

<i>Present Directorships</i>	<i>Past Directorships (5 years)</i>
Power Projects Ltd	-

Wayne Wrigley

<i>Present Directorships</i>	<i>Past Directorships (5 years)</i>
-	Firestorm Holdings Pty Ltd

Neil Patterson

<i>Present Directorships</i>	<i>Past Directorships (5 years)</i>
-	PSI (Oil & Gas) Limited



WWW.MEDSERVENERGY.COM
INFO@MEDSERVENERGY.COM