



COMPANY ANNOUNCEMENT

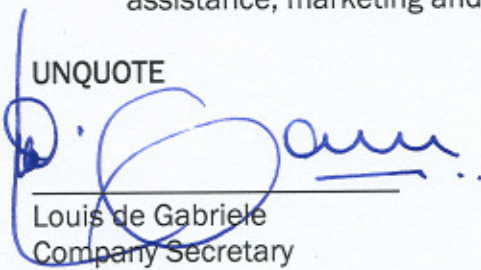
The following is a company announcement issued by Medserv p.l.c. pursuant to the MFSA Listing Authority Listing Rule 8.5:

QUOTE

Medserv p.l.c., (the "Company") hereby announces that it has entered into a Memorandum of Understanding, subject to contract and satisfactory documentation, (the "MoU") with Misurata Free Zone ('MFZ'), an authority established by Libyan GPC Decree 32/2006 in the business of owning and operating the Misurata Free Zone in Libya. The principal terms of the MoU stipulate that: -

- (i) the Company and MFZ shall incorporate a joint stock company to be called Medserv Misurata Free Zone Company ("MMFZC"), the principal object of which shall be the operation of a logistic and supply base at the Misurata Free Zone Port and in the Misurata Free Zone for the purpose of serving the oil and gas industry both offshore and onshore the Great Libyan Arab Jamahiriya;
- (ii) The Company shall hold the majority of the issued share capital and shall have control of MMFZC;
- (iii) The Company shall be entitled to appoint three and MFZ shall be entitled to appoint two of the board of directors of MMFZC;
- (iv) MFZ shall, subject to a cost and for a duration of thirty years, provide MMFZC with certain facilities and services, including a quay, warehouse and storage area,
- (v) Pursuant to the MoU and to a management agreement still to be entered into, the Company shall provide MMFZC management services, *inter alia*, for the overall management of MMFZC's affairs, the upkeep of best industry practices, selection of appropriate staff, technical and software assistance, marketing and promotion of MMFZC's business,

UNQUOTE



Louis de Gabriele
Company Secretary

31 January 2007

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