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COMPANY ANNOUNCEMENT

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

QUOTE

The Company hereby announces that, following the announcement issued on the 31 January 2007 in respect of the Memorandum of Understanding, (the "MoU") concluded with Misurata Free Zone ("MFZ") in Libya, negotiations have now been completed and a joint stock company by the name of Medserv Misurata F.Z.C.. ("MMFZC") has been submitted for registration with the MFZ.

The principle object of MMFZC, the majority shareholding of which is held by the Company, is the establishment and operation of a logistic base in the Misurata Free Zone for the purpose of serving the oil and gas industry.

Clause 8 of the memorandum of association of MMFZC states that the founders, that is the Company and MFZ, shall provide to MMFZC the services as agreed in the MoU by means of special detailed agreements, which agreements will be executed upon the registration of MMFZC at the Misurata Free Zone. These special detailed agreements will provide that: -

- (1) MFZ shall, subject to a cost and for a term of thirty years, provide MMFZC with certain facilities and services including a dedicated quay warehousing and a laydown area; and
- (2) The Company shall, subject to a cost and also for a term of thirty years, provide MMFZC with 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

Anthony J. Duncan
Director

13 February 2007

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