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COMPANY ANNOUNCEMENT

Medserv plc **(the “Company”)**

Directors Interim Statement

| | |
|----------------------|------------------|
| Date of Announcement | 16 November 2011 |
| Reference | 57/2011 |
| Listing Rule | LR 5.86 |

Quote

As indicated in the company announcement dated 16th September 2011, the Company was experiencing renewed demand for its services. This trend has continued so that the Company expects to have a profitable second half of the current year. Whilst there has been continuing and substantial operational activity at the Malta base which has comprised most of the turnover for the year to date, the Misurata base has reopened for business and this month carried out its first operational activity since February of this year. Whilst this was small it was carried out on the base using our own employees who have reported back to work. In addition the company continues to store and charge for substantial amounts of oil field equipment owned by oil companies. The vast amount of these charges are being accepted by our customers and paid.

The Company has now had the opportunity of physically examining the Misurata Base and can confirm that damage to its facility is minimal; however major renewed activity depends on the return of the Company’s customers to normal operations.

Progress has been registered in respect of the Company’s initiative to service the Eastern Mediterranean. Medserv (Cyprus) Limited has been incorporated with Medserv being the majority shareholder. Negotiations are now taking place with the relevant authorities towards securing quay space, warehousing and open area availability. The Company has already been in contact with a number of oil majors interested in the area offshore Cyprus some of whom are already customers of the Medserv Group and we are informed that keen attention is being shown in the forthcoming auction round for licences to drill in the concession areas under offer.



Following the setting up of an Italian joint venture company as announced on 11th November 2010, preliminary discussions have been held with possible customers of the company named Medserv Italia Srl. Further positive developments on this front await the decision of the local government authorities in Sicily on the environmental impact of offshore drilling operations.

The resumption of the production and export of both oil and gas in Libya has exceeded expectations. These positive developments coupled with the improving political climate enables the Company to remain cautiously optimistic that it will benefit from the upturn in activity in Libya.

Unquote

Signed:

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

Louis de Gabriele
Company Secretary