



**Medserv p.l.c.**  
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## COMPANY ANNOUNCEMENT

**Medserv p.l.c.**

### Interim Directors' Statement

Date of Announcement	10/11/2008
Reference	25/2008
Listing Rule	LR9.51

This is a company announcement being made by the Company in compliance with Chapter 9 of the Listing Rules.

The Company announces that the growth in turnover and profits as reported in the half yearly results announced on 25<sup>th</sup> August 2008 has been sustained for the period ended 30 September 2008, and drilling operations supported by both the Malta base and that situated in Misurata, Libya ( in which the Company has a 60 per cent interest) have commenced.

The turnover resulting from operations in the Misurata base in Libya in the third quarter has exceeded that for the first two quarters of the year combined. This is, at least partially, due to the commencement of drilling operations offshore by a US client which should be followed up by similar operations by other major oil companies for which the Group has been awarded the business. In addition, the Group has experienced an increase in the volume of business resulting from the handling and transportation of tubulars on shore Libya which as mentioned in previous announcements represents a new income stream for the Group.

Since the previous company announcement the world price of oil has fallen sharply. However the Company has received no indication that the current and near future drilling operations will be effected either in Libya or Malta.

The Malta base is now providing logistics support for a major drilling operation offshore Libya which commenced in October 2008. In addition to the above, the Company has also secured substantial business from a long-standing client which it is required to service from the Malta base. In the context of this new business, the directors have ceased their negotiations with a counterparty that had shown interest in acquiring certain rights with respect to certain fixed assets of the company and with whom the directors had been negotiating in an attempt to identify the best course of action for the Company. No agreement therefore has been reached with the counterparty at this stage and any further negotiations have, for the time being, been put on hold. The Directors, however, will keep this matter under further review and scrutiny and will keep the market informed of developments, if any, as and when these take place.



The directors expect both the base in Malta and that in Misurata, Libya to contribute positively to the Company's performance and results during the rest of the current year.

Signed:

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

*Louis de Gabriele*

**Company Secretary**