



Medserv p.l.c.
Malta Freeport
Part of Marsaxlokk,
Hirzebbugia B8G07, Malta
Tel: (00356) 2220 2000
Fax: (00356) 2220 2328
Email: info@medservmalta.com

COMPANY ANNOUNCEMENT
MEDSERV PLC (THE "COMPANY")
INTERIM DIRECTORS' REPORT

Date of Announcement	21 May 2007
Reference	5/2007
Listing Rule	LR9.51 – 9.53


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

Interim Directors' Statement

From the commencement of trading in the current financial year the intensive activity expected in the oil industry offshore Libya has been delayed in coming on stream. This has led to a slowdown in the Company's operations which has adversely affected the Company's financial performance. However the Company's financial stability remains sound and well able to sustain the temporary slowdown in business experienced by it and its Controlled Undertaking, Medserv Operations Limited. The directors believe that the delay in the commencement of a number of operations and the award of contracts should only have a transient effect on the Company, and this should merely postpone matters to the third or fourth quarter of the current financial year.

In the meantime the Company has now registered the Libyan subsidiary with a 60% equity interest for the operation and management of its base in Misurata that will enable it to take on new business. A number of existing and new customers are in discussions with the Company with regard to the provision of services there and commencement of operations in Misurata is targeted for the end of June 2007.

Signed:



Louis de Gabriele
Company Secretary

22 May 2007

coann5(2007)/PCLawDoc#7500

