SUPPLEMENT DATED 30 AUGUST 2013 TO THE BASE PROSPECTUS DATED 12 AUGUST 2013

MEDSERV P.L.C.

a public limited liability company registered under the laws of Malta with company registration number C28847 and with registered office situated at Malta Freeport, Port of Marsaxlokk, Birzebbugia, BBG 3011 as Issuer of

€20,000,000 Secured & Guaranteed Note Issuance Programme

This supplement dated 30 August 2013 ("**Supplement**") constitutes a supplement within the meaning of Listing Rule 4.26 and Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 to the extent that such amendments have been implemented in a relevant Member State (the "**Prospectus Directive**").

This Supplement is supplemental to, and should be read in conjunction with the base prospectus dated 12 August 2013, as supplemented from time to time, ("**Base Prospectus**") prepared by the Issuer in connection with the €20,000,000 Secured & Guaranteed Note Issuance Programme (the "**Programme**"). Defined words and phrases used in the Base Prospectus shall have the same meanings when used in this Supplement.

SPONSOR

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

MANAGER, REGISTRAR & SECURITY TRUSTEE

HSBC

The Listing Authority approved the Base Prospectus and authorised the admissibility to listing of the Programme on the Official List of the Malta Stock Exchange on the 12 August 2013.

This Supplement contains information given in compliance with the Listing Rules of the Listing Authority for the purpose of giving information. The board of directors of the Issuer (listed in Section 9.10 of the Base Prospectus) accepts responsibility for the information contained in this Supplement. To the best of the Directors' knowledge (having taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. A copy of this Supplement has been delivered to the Listing Authority.

ANTHONY J DUNCAN IN HIS OWN NAME AND AS PROXY FOR JOHANNES JACOBUS VAN LEEUWEN

ANTHONY S. DIACONO IN HIS OWN NAME AND AS PROXY FOR JOSEPH F.X. ZAHRA

The Base Prospectus shall be supplemented by the following information:

Extracts from the consolidated profit forecast of the Issuer and the profit forecast of the Guarantor for the years ending 31 December 2013 and 2014 (hereinafter collectively referred to as the "**Profit Forecasts**") are set out below:

1.1 MEDSERV P.L.C. – CONDENSED CONSOLIDATED PROFIT FORECAST

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	€'000	€'000	€'000
Revenue	3,703	6,014	9,717	14,409
Results from operating activities	643	638	1,281	2,487
Profit for the period	**504**	**1,046**	**1,550**	**1,048**

1.2 MEDSERV OPERATIONS LIMITED – CONDENSED PROFIT FORECAST

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	€'000	€'000	€'000
Revenue	3,528	5,838	9,366	11,033
Results from operating activities	694	868	1,562	2,518
Profit for the period	**553**	**1,275**	**1,828**	**1,291**

The detailed Profit Forecasts and the assumptions on which these forecasts are based are included under Schedule 1 of the Supplement. The Profit Forecasts and the related assumptions are based on the premise that Medserv p.l.c. will offer to the public a first Tranche of Notes of €13.0 million and that these will be fully subscribed.

1.3

UPDATE TO THE SUMMARY SET OUT IN SECTION 5 OF THE BASE PROSPECTUS

Element B.9 of the Base Prospectus (*Profit Forecast or estimate*) shall be supplemented such that the words '*Not Applicable: the Issuer has chosen not to include a profit forecast or estimate*' shall be replaced by the following:

Extracts from the consolidated profit forecast of the Issuer and the profit forecast of the Guarantor for the years ending 31 December 2013 and 2014 are set out below:

Medserv p.l.c. – Condensed Consolidated Profit Forecast

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	€'000	€'000	€'000
Revenue	3,703	6,014	9,717	14,409
Results from operating activities	643	638	1,281	2,487
Profit for the period	**504**	**1,046**	**1,550**	**1,048**

Medserv Operations Limited – Condensed Profit Forecast

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	€'000	€'000	€'000
Revenue	3,528	5,838	9,366	11,033
Results from operating activities	694	868	1,562	2,518
Profit for the period	**553**	**1,275**	**1,828**	**1,291**

The detailed Profit Forecasts and the assumptions on which these forecasts are based are included under Schedule 1 of the Supplement. The Profit Forecasts and the related assumptions are based on the premise that Medserv p.l.c. will offer to the public a first Tranche of Notes of €13.0 million and that these will be fully subscribed.

02
STATEMENT BY EXPERT AND DECLARATIONS OF ANY INTEREST

Further to the above, the Base Prospectus shall be supplemented by the following information:

The Issuer has commissioned KPMG, a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta), to prepare an Accountants' Report on the consolidated profit forecast of Medserv p.l.c. and the profit forecast of Medserv Operations Limited for the years ended 31 December 2013 and 2014 (hereinafter referred to as the "**Accountants' Report**"). The registered address of KPMG is at Portico Building, Triq Marina, Pietà, PTA 9044, Malta.

The Issuer confirms that the Accountants' Report and the Profit Forecasts both dated 20 August 2013 have been accurately reproduced in the Prospectus. The Issuer further confirms that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading. To the knowledge of the Issuer, the expert does not have any beneficial interest in the Issuer.

KPMG has given (and has not withdrawn) its consent for the publication of the Accountants' Report, in the form and context in which it is included in this Supplement.

03
ANNEX TO THE BASE PROSPECTUS

The information set out in Schedule 1 (*Profit Forecasts and Accountant's Report*) and Schedule 2 (*Financial Analysis Summary*) attached to this Supplement shall be included as an annex to the Base Prospectus.

Save as disclosed herein, as at the date of this Supplement, no significant change and no significant matter has arisen since the 12 August 2013, being the date of the Base Prospectus.

SCHEDULE 1
PROFIT FORECASTS AND ACCOUNTANT'S REPORT

Profit Forecasts for the years ending 31 December 2013 and 2014

Summary of significant assumptions and accounting policies

Introduction

The consolidated profit forecast of Medserv p.l.c. (the Group) and the profit forecast of Medserv Operations Limited for the years ending 31 December 2013 and 2014 (hereinafter collectively referred to as 'the Profit Forecasts') are set out on page 8. The Profit Forecasts and the underlying assumptions set out below are the sole responsibility of the Directors of Medserv p.l.c.

The Profit Forecasts and the related assumptions are based on the premise that Medserv p.l.c. will offer to the public a first Tranche of Notes of €13.0 million and that these will be fully subscribed. The Profit Forecasts are based on the assumption that the proceeds of the first Tranche of Notes will be used within the following framework:

a) to on-lend the funds to the Guarantor to enable it to exercise its option to prepay and cancel its current loan and overdraft facilities with HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c. expected to be in the region of €3.5million;
b) to finance the installation and completion of the photovoltaic farm and related infrastructure (including the Malta warehouse) by on-lending the funds to the Guarantor which will utilise the same to prepay and cancel the relevant facility with HSBC Bank Malta p.l.c. and, to the extent required, settle payments directly with its suppliers and contractors – it is expected that an amount of €5million of the proceeds shall be allocated for this purpose;
c) to finance improvements and/or the development of the Group's existing base in Cyprus and possibly other bases identified for this purpose by the Issuer – it is expected that an amount of €2.8million of the proceeds shall be allocated for this purpose;
d) to finance the Group's working capital – it is expected that an amount of €1.3million shall be allocated for this purpose.

The Profit Forecasts do not take into consideration the proceeds from subsequent tranches of the Programme and the related use of proceeds, if any. The Profit Forecasts have been based on the following unaudited financial information:

a) the respective management accounts for the six month period 1 January to 30 June 2013; and
b) the respective forecast financial information covering the period 1 July to 31 December 2013 and the year ending 31 December 2014.

The Profit Forecasts are based on stated assumptions which the Directors believe to be reasonable. These assumptions have been based on the nature and size of the intended level of operations and reflect current economic conditions and price levels adjusted where applicable to take into account the projected level of inflation. The Directors have exercised due care and diligence in adopting these assumptions.

Attention is drawn, in particular, to the risk factors set out elsewhere in the Prospectus which describe the principal risks associated with the business to which the Profit Forecasts relate.

The Profit Forecasts are dated 20 August 2013 and the stated assumptions are judgements made at that date. The assumptions disclosed herein are those that the Directors believe are significant to the Profit Forecasts.

Actual results are likely to be different from those indicated in the Profit Forecasts because events and circumstances frequently do not occur as expected and those differences may be material. The allocation of proceeds may be subject to change at the discretion of the Issuer.

The Group

The consolidated profit forecast covers the current activities of the Medserv Group, of which Medserv p.l.c. is the ultimate parent. The subsidiary companies included in the consolidated profit forecast are listed below:

	Activity	% holding
Medserv Libya Limited	Holding company	99.9%
Medserv East Africa Ltd	Holding company	99.9%
Medserv Operations Limited	Main operating company (Malta Base)	99.9%
Medserv International p.l.c.	Holding company	99.9%
Medserv Eastern Mediterranean Limited	Holding company	99.9%
Medserv Italy Limited	Holding company	99.9%
Medserv Misurata FZC	Operating company (Libya Base)	60.0%
Medserv (Cyprus) Limited	Operating company (Cyprus Base – currently being set up and is projected to be operational from the second half of 2014)	55.0%

Further to the above, the Group holds 50% interest in a jointly controlled entity, Medserv Italia s.r.l.

Medserv p.l.c. holds shares in its subsidiary companies and has no other business.

The Medserv Group is engaged in the provision of integrated logistic services to the oil and gas industry, mainly in the upstream activity of such sector. In addition, Medserv supports the personnel and their needs during an operation and provides maintenance and regular certification required by rigs and platforms. The Group currently operates in two principal geographical areas, namely Malta and Libya but is also currently in the process of setting up a base in Cyprus. Medserv Operations Limited, which is the Group's current main operating company, operates the Malta base situated at the Malta Freeport.

Bases of preparation

The bases of preparation relating to the environment in which the Medserv Group (including Medserv Operations Limited) operates and which underlie the Profit Forecasts are the following:

Factors which the Directors can influence:

- The consolidated profit forecast includes the forecast results of all the subsidiary companies presently controlled by Medserv p.l.c. and its interest in the jointly controlled entity and does not reflect any further acquisitions that could materialise.
- The projections are mainly based on the continuation of the Group's existing activities provided through the Malta base and through a new base being set up in Cyprus, and the operation of the new PV Farm. Limited activity is projected from the Misurata base reflecting current uncertainty surrounding the political situation in Libya.
- The Group will continue to enjoy the confidence of its customers, suppliers and its bankers throughout the period under consideration.
- The Group will enjoy good relations with its employees and their representatives throughout the period under consideration.
- The Group will continue to recruit the required appropriate personnel at the projected cost levels.
- There will be no impairment losses on the Group's financial and non-financial assets.

Factors exclusively outside the influence of the Directors:

- There will be no material external adverse events which will have an impact on the activities of the Group, either directly or indirectly.
- The bases and rates of taxation, both direct and indirect, will not change materially during the years ending 31 December 2013 and 2014.
- The rate of inflation throughout the period under consideration will not exceed that experienced in the last few years.
- The bases on which the Group's bankers determine the rate of interest charged on facilities made available will not change materially throughout the period covered by the prospective financial statements.
- There will not be any material changes in yields throughout the period under consideration.
- Any changes in exchange rates will not adversely affect the Group's operations.

Significant Accounting Policies

The significant accounting policies for the Group and Medserv Operations Limited are set out in the audited consolidated financial statements of Medserv p.l.c. and audited financial statements of Medserv Operations Limited respectively, for the year ended 31 December 2012, except for the new policy relating to the useful life adopted for the depreciation of the photovoltaic solar farm (20 years). Where applicable, these accounting policies which have been adopted by Medserv p.l.c. and/or Medserv Operations Limited, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the Profit Forecasts.

Summary of Significant Assumptions

a) Base currency of the consolidated profit forecast

The underlying profit forecast of each subsidiary company forming part of the Medserv Group (including Medserv Operations Limited) has been forecasted using Euro as the base currency.

The consolidated profit forecast has, likewise, been prepared in Euro being the functional currency of Medserv p.l.c.

b) Revenue

Revenue represents the income projected from the operations of the Group and Medserv Operations Limited, and is stated after the deduction of sales rebates and indirect taxes.

As set out in the table below, during the two years 2013 and 2014, the Group is forecasting to earn most of its revenue from services provided in the course of exploratory and production projects (drilling activities are expected to resume in the second half of 2013), general logistics and support, and to a lower extent offshore maintenance.

Medserv p.l.c. – Consolidated revenue by category

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	€'000	€'000	€'000
Exploratory wells	165	865	1,030	6,188
Production structures	–	2,340	2,340	2,363
General logistics & support	1,954	1,374	3,328	3,017
Rig & vessel stops	–	500	500	1,010
Offshore maintenance	1,582	933	2,515	1,263
Photovoltaic farm feed-in	–	–	–	564
Other	2	2	4	4
Total revenue	**3,703**	**6,014**	**9,717**	**14,409**

c) Direct and operating costs

Direct costs relating to the Group's and Medserv Operations Limited's revenue, excluding revenue from the photovoltaic farm, comprises supplies, transport, freight and base yard costs and have been projected at 50% of total revenues (excluding revenues from the photovoltaic farm), based on the historical average percentage of direct costs to revenue for the projected mix of revenue. Bunkering operations have been excluded from the projections and hence no bunkering costs are being projected.

Projected operating costs of the Group and Medserv Operations Limited, which are principally fixed in nature, are based on the nature and size of future expected operations and, where applicable, on the cost levels experienced in the past, adjusted for inflation as appropriate.

d) Administrative expenses

The Group and Medserv Operations Limited's administrative expenses are based on the nature and size of future expected operations and, where applicable, on the cost levels experienced in the past, adjusted for inflation as appropriate.

e) Non-controlling interest

This represents the non-controlling interest's share of forecasted profits with respect to the Group's 60% shareholding in the subsidiary Medserv Misurata FZC and the 55% shareholding in the subsidiary Medserv (Cyprus) Limited.

f) Exchange fluctuations

The Profit Forecasts do not provide for any gains or losses arising out of any possible exchange fluctuations through the period under consideration.

g) Taxation

The income tax expense comprises current and deferred tax. The Profit Forecasts provide for current tax forecasted at the tax rates applicable in the countries in which the Group will operate as follows:

- Medserv Operations Limited: 35% on profit before taxation;
- Medserv (Cyprus) Limited: 12.5% on profit before taxation;
- Medserv Eastern Mediterranean Limited: 35% on dividends received from Medserv (Cyprus) Limited, net of Flat-Rate Foreign Tax Credit (FRFTC) unilateral double taxation relief;
- Medserv p.l.c.: 15% withholding tax on bank interest income and 35% tax on interest received from subsidiaries net of interest paid on the listed Tranche of Notes.

Non-operating companies are expected to make minimal annual losses with no tax income/expense.

Deferred tax is recognised in respect of temporary difference arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied on temporary differences when they reverse.

A deferred tax asset is recognised for unutilised tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Conclusion

The Directors believe that the assumptions on which the Profit Forecasts are based are reasonable.
Approved by the Board of Directors and signed on its behalf by:

Anthony S. Diacono	Anthony J. Duncan
DIRECTOR	**DIRECTOR**

20 August 2013

Medserv p.l.c. - Consolidated Profit Forecast

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	**€'000**	**€'000**	**€'000**
Revenue	3,703	6,014	9,717	14,409
Cost of sales	(2,169)	(4,735)	(6,904)	(10,164)
Gross profit	**1,534**	**1,279**	**2,813**	**4,245**
Other income	10	12	22	12
Administrative expenses	(898)	(653)	(1,551)	(1,770)
Other expenses	(3)	-	(3)	-
Results from operating activities	**643**	**638**	**1,281**	**2,487**
Finance income	1	8	9	28
Finance expenses	(77)	(242)	(319)	(808)
Net finance costs	**(76)**	**(234)**	**(310)**	**(780)**
Share of P&L of jointly-controlled entity	(1)	-	(1)	-
Profit before taxation	**566**	**404**	**970**	**1,707**
Taxation income/(expense)	(62)	642	580	(659)
Profit for the period	**504**	**1,046**	**1,550**	**1,048**
Profit attributable to:				
Owners of the - Issuer	509	1,131	1,640	1,137
Non-controlling interest	(5)	(85)	(90)	(89)
Profit for the period	**504**	**1,046**	**1,550**	**1,048**
Total comprehensive income for the period	**504**	**1,046**	**1,550**	**1,048**

Medserv Operations Limited - Profit Forecast

For the period	Jan-Jun 2013A	Jul-Dec 2013F	Jan-Dec 2013F	Jan-Dec 2014P
	€'000	**€'000**	**€'000**	**€'000**
Revenue	3,528	5,838	9,366	11,033
Cost of sales	(2,091)	(4,500)	(6,591)	(7,259)
Gross profit	**1,437**	**1,338**	**2,775**	**3,774**
Other income	7	7	14	-
Administrative expenses	(747)	(477)	(1,224)	(1,256)
Other expenses	(3)	-	(3)	-
Results from operating activities	**694**	**868**	**1,562**	**2,518**
Finance income	-	-	-	-
Finance expenses	(77)	(180)	(257)	(532)
Net finance costs	**(77)**	**(180)**	**(257)**	**(532)**
Profit before taxation	**617**	**688**	**1,305**	**1,986**
Taxation income/(expense)	(64)	587	523	(695)
Profit for the period attrib. to shareholders	**553**	**1,275**	**1,828**	**1,291**
Total comprehensive income for the period	**553**	**1,275**	**1,828**	**1,291**

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The Directors
Medserv p.l.c.
Malta Freeport
Port of Marsaxlokk
Birzebbugia, BBG 3011
Malta

20 August 2013

Dear Sirs,

Accountant's Report on the Consolidated Profit Forecast of Medserv p.l.c. and the Profit Forecast of Medserv Operations Limited

We report on the consolidated profit forecast of Medserv p.l.c. and its subsidiaries, Medserv Libya Limited, Medserv East Africa Ltd, Medserv Operations Limited, Medserv International p.l.c., Medserv Eastern Mediterranean Limited, Medserv Italy Limited, Medserv Misurata F.Z.C. and Medserv (Cyprus) Limited ('the Group') and the profit forecast of Medserv Operations Limited (hereinafter collectively referred to as the "Profit Forecasts") for the years ending 31 December 2013 and 2014. The Profit Forecasts are dated 20 August 2013 and are set out in Schedule 1 of Medserv p.l.c's supplement to the prospectus, which supplement is to be issued in August 2013.

Directors' Responsibility

It is the Directors' responsibility to prepare the Profit Forecasts, together with the material assumptions on which they are based, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC809/2004 of 29 April 2004, as amended by EU Regulation EC211/2007 of 27 February 2007.

Accountants' Responsibility

It is our responsibility to provide the opinion required by Listing Rule 5.40.2 and by Annex IV item 9.2 of EU Regulation EC809/2004.

Since the Profit Forecasts and the assumptions on which they are based relate to the future they may be affected by unforeseen events. The variation between forecast and actual results may be material. We are not required to express, nor do we express, any opinion on the possibility of achievement of the results set out in the Profit Forecasts or on the underlying assumptions.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report.

KPMG

Work Performed

We have carried out our work in accordance with ISAE 3000, "Assurance Engagement other than Audits or Reviews of Historical Financial Information".

Our work included an evaluation of the procedures undertaken by the Directors in compiling the Profit Forecasts and the consistency of the Profit Forecasts with the accounting policies adopted by Medserv p.l.c. and Medserv Operations Limited respectively.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecasts have been properly compiled on the basis of the underlying stated assumptions.

Opinion

In our opinion:

a) the consolidated profit forecast of Medserv p.l.c. and the profit forecast of Medserv Operations Limited for the years ending 31 December 2013 and 2014 have been properly compiled on the basis of the underlying stated assumptions; and

b) the basis of accounting is consistent with the accounting policies of Medserv p.l.c. and Medserv Operations Limited respectively.

Without qualifying our opinion, we draw attention to the fact that the Profit Forecasts are not intended to, and do not, provide all the information and disclosures necessary and do not purport to give a true and fair view of the results of the operations and the financial position of the Group and/or Medserv Operations Limited in accordance with International Financial Reporting Standards as adopted by the EU.

This opinion is solely intended to be relied upon by you for the purposes of the supplement to the prospectus, which supplement is to be issued in August 2013. Readers are cautioned that these Profit Forecasts may not be appropriate for purposes other than that described above.

Yours sincerely

David Caruana (Partner) for and on behalf of

KPMG
Certified Public Accountants

SCHEDULE 2
FINANCIAL ANALYSIS SUMMARY

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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The Board of Directors
Medserv p.l.c.
Malta Freeport,
Port of Marsaxlokk,
Birzebbugia, BBG3011
Malta

30 August 2013

Dear Sirs,

Medserv p.l.c. Financial Analysis Summary ("the Analysis")

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Analysis set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Analysis is that of summarising key financial data appertaining to Medserv p.l.c. ("the Issuer" or "the Group"). The data is derived from various sources or is based on our own computations as follows:

a) Historical financial data for the five years ended 31 December 2012 has been extracted from the Issuer's audited statutory financial statements for the five years in question;

b) The forecast data for the financial years ending 31 December 2013 and 31 December 2014 has been extracted from the forecast financial information set out in Schedule 1 of the Supplement to the Prospectus dated 30 August 2013;

c) Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the Prospectus and/or Supplement/s;

d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out beneath each ratio.

The Issuer determined that it is not aware of any companies with similar size operations as those of the Group that operate within the Group's principal markets. Management confirmed that the Group's competitors in the main comprise the following:

a) International Oil Companies ("IOCs") that would opt to develop their own base and coordinate their own logistics and support services; and

b) other service providers that form part of larger groups of companies whose operations are very diversified and that do not merely provide services to the oil and gas industry.

As such, therefore, management is not aware of any companies within their peer group for which data is readily available to set out meaningful comparative analysis.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus and/or Supplement/s. The Analysis does not contain all data that is relevant to potential investors and is meant to complement and not replace the contents of the full Prospectus and Supplement/s. The Analysis does not constitute an endorsement by our firm of the proposed Note issue and should not be interpreted as a recommendation to invest in the Notes. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus and/or Supplements. Potential investors are encouraged to seek professional advice before investing in the Notes.

Yours sincerely,

Vincent E Rizzo
Director

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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MEDSERV P.L.C.

FINANCIAL ANALYSIS SUMMARY

30 AUGUST 2013

TABLE OF CONTENTS

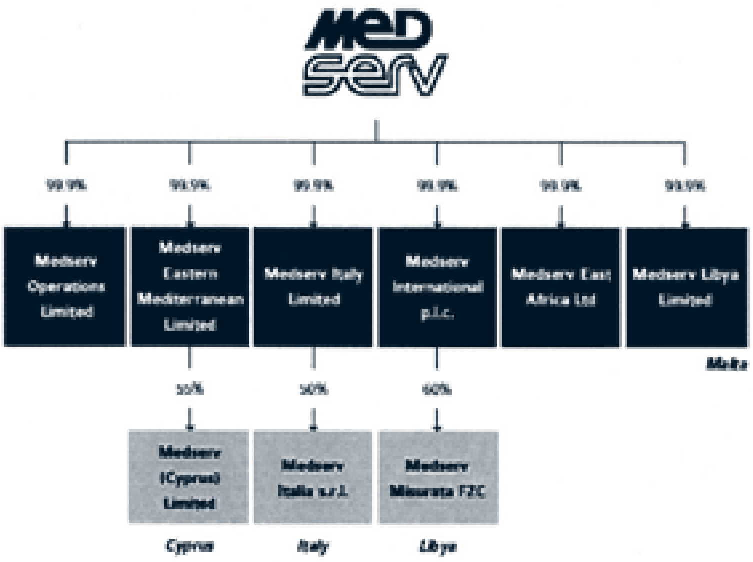
1 BUSINESS OVERVIEW

1.1 HISTORY & DEVELOPMENT OF ISSUER

The Medserv Group ("the Group") originated with the establishment of Medserv Limited (which subsequently changed its name to Medserv Operations Limited) as a joint-venture between the Government of Malta and the Albert Abela Group on 1 December 1974. Medserv p.l.c. (originally named AD Holdings Limited) was incorporated on 26 October 2001 and by 19 November 2003 it had acquired the entire shareholding of Medserv Operations Limited.

Medserv p.l.c. ("the Issuer" or "the Company") is the ultimate parent company within the Group which has provided integrated logistic support services to some of the world's leading oil and gas exploration companies such as ENI Group, Hess Corporation, Petrobras, Gazprom and Exxon amongst others. A number of international service companies also form part of the Group's client base including Schlumberger, MI Swaco, Baker Hughes, Halliburton and Saipem.

Medserv p.l.c. – Organisational Structure



Source: Management Information

Medserv p.l.c. obtained a listing of its entire issued share capital of 10,000,000 ordinary shares of a nominal value of €0.232937 on the Official List of the Malta Stock Exchange on 23 October 2006 following an Initial Public Offering ("IPO") of 2,500,000 ordinary shares (representing 25% of the issued share capital) at an equivalent price of €3.028 per share. The largest shareholders of the Issuer are Mr. Anthony S. Diacono and Mr Anthony J. Duncan (through Malampaya Investments Ltd), each having a 37.5% share.

Following the 2006 IPO, the Issuer has constantly sought ways to expand its operations to other regions. As a result, to date the Group presently has facilities in Malta, Libya, Sicily and Cyprus. All operational facilities are certified by the International Standards Organisation (a certificate of quality) and are also ISPS compliant (a code to enhance maritime security).

The Group's management team and in-house technical teams have decades of industry experience. The Group's support bases located in the Mediterranean combine speed, efficiency and in-depth local knowledge.

Medserv Operations Limited ("the Guarantor"), a wholly owned subsidiary of the Group, is a member of the International Association of Drilling Contractors as well as a member of the Malta Association of Ship Agents.

The aim of the Group is to become a leading name for the provision of integrated logistic services and support through the fulfilment of the following three objectives:

i) to become the leading operator providing a network of comprehensive logistical support and service bases for the onshore and offshore oil and gas industry operating in the Mediterranean rim countries;

ii) to provide specialised services utilising equipment developed by international companies for environmental projects within the oil and gas industry;

iii) to maximise shareholder value through increasing market share by expanding its geographical presence and introducing new lines of business to service the onshore and offshore oil and gas industry.

In line with the above objectives, the Group has embarked on an aggressive growth strategy based on two pillars as listed below:

i) **Geographical growth** - this will reduce the Group's reliance on the Central Mediterranean region. In this respect, the Group is seeking to grow its market by targeting a number of developing countries in the Eastern Mediterranean region but also in East Africa and elsewhere;

ii) **Offering a wider range of products/services** - the Group is seeking to broaden the engineering services provided to oil and gas vessels including rigs visiting Malta and to increase its client base with respect to procurement services by registering with oil companies in Libya so as to be able to provide such services.

1.2 KEY ACTIVITIES & PRINCIPAL MARKETS

The oil and gas industry is divided into three major sectors, namely: upstream, mid-stream and downstream. The upstream sector, in which the Group has been involved for the past 40 years, is also commonly known as the exploration and production sector. The upstream sector includes the searching for potential underground or underwater fossil fuel, drilling of exploratory wells and subsequently drilling and operating the wells that recover and bring the crude oil and/or raw natural gas to the surface.

In order to support these activities, the Group developed specialised dedicated onshore facilities designed specifically to support such activities. A base typically comprises a dedicated quay, warehouses to store equipment, engineering shops, mud-mixing plants to prepare the chemicals required, oil storage vats to maintain sufficient quantities of oil products required, a training centre for specialised courses, supply of specialised offshore containers which are mandatory when transporting any goods onto and off rigs and a large open area for the storing of pipes and other related heavy equipment.

Furthermore, the Group also supports the handling of all personnel movements, health and safety requirements, supplies, procurement, maintenance and regular certification of rigs and platforms, testing of equipment carried by rigs and all other support that a platform may need during an exploration and/or operation.

The Group is involved in the provision of integrated logistics services to the oil and gas industry operating mainly in the Mediterranean basin with a focus on the industry's activities in North Africa. The existing operations principally cover the Central Mediterranean and North Africa regions. However, the Group's growth strategy includes the possible addition of other markets including Italy, East Mediterranean (Cyprus and Lebanon), East Africa (Tanzania, Mozambique and Kenya), West Africa (Ghana) and Asia (India).

Currently, the Group operates through two fully-owned subsidiaries listed below:

i) **Medserv Operations Limited (100%):** This is the original company within the Group which was founded in 1974. It is still the main operating company of the Issuer. The subsidiary holds a temporary emphyteusis and a lease allowing it to operate from the logistic base located at the Malta Freeport, Port of Marsaxlokk, Birzebbugia, up to the year 2060. The Malta base is the major revenue contributor for the Group as it supports its clients operating in Libya. In fact, the Malta base has been involved and will continue to be involved in most of the major offshore activity that took place and will be taking place in the Central Mediterranean and North Africa regions.

ii) **Medserv International p.l.c. (100%):** This holding company holds a 60% share in Medserv Misurata F.Z.C., a company registered in Libya which owns and operates a logistics base within the freezone area of the Misurata Freeport. Following the unrest in Libya during 2011, the operations at the Libyan base have been mainly limited to storage of equipment.

Furthermore, in recent years the Group has sought to expand its operations by setting up two other subsidiaries to invest in other bases across the Mediterranean rim as detailed below:

i) **Medserv Italy Limited (100%):** This company is a subsidiary of the Issuer holding a 50% share in Medserv Italia s.r.l., a company registered in Italy which will be running a logistics base in Sicily. The remaining 50% shareholding in Medserv Italia s.r.l. is held by an Italian partner, Filgest s.r.l. Regional issues have, to date, delayed progress with exploratory operations offshore Sicily and these are now only expected to start by the end of 2014. In the meantime, Medserv and its partners have the required setup to commence operations as and when required by prospective clients.

ii) **Medserv Eastern Mediterranean Limited (100%):** This company is a subsidiary of the Issuer holding a 55% share in Medserv (Cyprus) Limited, a company registered in Cyprus and licenced to operate a base in the two main ports of Cyprus, namely Limassol and Larnaka, in view of the anticipated increase in production activities following substantial discoveries of fossil fuels (principally gas) made in Cypriot territorial waters. The Cypriot base is expected to secure its first business during 2014 in line with progress made in exploration activity offshore Cyprus.

The Cypriot base is also expected to pursue business opportunities relating to support services to exploration programs in the territorial waters of Israel, Lebanon, Egypt, Greece and Turkey. The Group's operations in Cyprus could also serve as a stepping stone towards operating a base in Lebanon in respect of which the Group is already in discussions with potential Lebanese partners. These partners own quays in the two ports nearest to the likely areas of exploration. Exploration in Lebanese waters by a number of international oil companies ("IOCs") is expected to start in 2015. The remaining 45% shareholding in Medserv (Cyprus) Ltd is held by two Cypriot partners, Ecofuel Ltd and Advance Holdings Ltd.

During the course of 2012, the Group also set up two new subsidiaries, namely **Medserv Libya Limited** and **Medserv East Africa Limited**. These subsidiaries have been set up to provide logistical and support facilities to oil and gas companies operating in the respective regions.

To date, Medserv Italy Limited, Medserv Eastern Mediterranean Limited, Medserv Libya Limited and Medserv East Africa Limited have not secured any business.

The Group is also exploring other leads in West Africa (Ghana) and Asia (India) but developments are still in their early stages.

1.3 KEY CLIENTS

The Group's key clients have typically consisted of IOCs and their contractors that have entered into exploration and development projects in offshore locations in close proximity to the Group's bases. IOC client contracts typically cover a period of 1 to 3 years in line with common practice in the industry in which the Group operates.

The oil and gas offshore exploration industry is dominated by a limited number of IOCs, the majority of which have an on-going business relationship with the Group. In particular, the Mediterranean region is dominated by one major IOC, the ENI Group of Italy, in respect of which the Group generates substantial business.

The Group has identified three key clients. They are all related entities of the ENI Group with whom the Group has had a business relationship for the past 40 years. However, we have been told that the companies operate independently from one another and hence no relationship with one company is in any way dependent on the Group's relationship with the other two companies. For the year ended 2012, the revenue contributed by these three key clients accounted for 48.3% of total annual revenues. The remaining 51.7% of annual revenues was generated from a further 25 clients.

Given the significant contribution from these IOCs and their contractors to the financial performance of the Group, the termination of any of these business relationships will have a negative impact on the Group's financial performance. Nonetheless, the Group remains confident that contracts with these key clients will be renewed upon expiration as has always happened in the past.

1.4 DIRECTORS & KEY EMPLOYEES

Board of Directors	**Role**
Mr Anthony S Diacono	Chairman & Executive Director
Mr Anthony J Duncan	Executive Director
Mr Johannes Jacobs van Leeuwen	Non-Executive Director
Mr Joseph F X Zahra	Non-Executive Director
Dr Laragh Cassar	Company Secretary

Executive Management	**Role**
Mr Godwin Borg	Group Chief Operating Officer
Mr Karl Bartolo	Group Financial Controller
Mr Godfrey Attard	General Manager, Libya

1.5 MAJOR ASSETS OWNED BY THE GROUP

1.5.1 Property Rights

Malta

The Group, through its wholly owned subsidiary Medserv Operations Limited, owns property rights over industrial property forming part of the Malta Freeport at the Port of Marsaxlokk valued at €40 million as at 30 June 2013 by Perit Dr Marc Bonello, partner of the local professional firm TBA Periti, in terms of, and with due regard given to the Valuation Standards of the Chamber of Architects & Civil Engineers of Malta and with The Royal Institution of Chartered Surveyors 'RICS Valuation – Professional Standards (March 2012)'. The agreements cover a plot of land measuring circa 50,325 square metres and a private quay with a total length of 239 metres.

The temporary emphyteusis provides Medserv Operations Limited with an exclusive right to use the land for a term up to 29 May 2045. In December 2012, Medserv Operations Limited signed a new lease agreement on the same land with the Malta Freeport Corporation Limited which comes into effect upon the expiration of the existing temporary emphyteusis on 29 May 2045 and expires in 2060. The new lease agreement was awarded on condition that Medserv Operations Limited completes certain investments on site worth around €9 million within certain timeframes as well as adhering to certain employment obligations. The investments include a photovoltaic farm which is expected to generate income for 20 years after it is completed and commissioned during 2014.

The new lease agreement allows the Group to plan for the long-term and to offer its customers the certainty that the Malta base will be available to service the major upcoming projects in the Mediterranean.

Libya

In Libya, Medserv Misurata F.Z.C., in which the Group has a 60% share, holds a concession agreement with the Misurata Free Zone Authority allowing it to use a 200-metre long quay as well as land measuring 27,500 square metres for a period up to 2037. The land is situated in the Misurata Free Zone Port in Libya.

1.5.2 Property, Plant and Equipment

Malta

The Group also owns a number of buildings built on the land in Malta held under title of temporary emphyteusis comprising 230 square metres of office space as well as open and closed storage areas.

Medserv Operations Limited also owns various pieces of equipment, including the recently acquired 220 tonne crane and 22 tonne fork lifter, which are used in its day-to-day operations. Furthermore, Medserv Operations Limited also owns two bulk plant facilities used for cement and other materials required by its clients, two mud plants capable of mixing 400 cubic metres of drilling fluids each, a mud and oil base storage facility capable of storing 600 cubic metres of drilling fluids and a 200 cubic metre brine plant.

Libya

In Libya, Medserv Misurata F.Z.C. owns six silos of 40 cubic metres each and two silos of 100 cubic metres each to store cement and other materials required by clients as well as two mud plants with a mixing and storage capacity of 600 cubic metres and four brine plants with a capacity of 180 cubic metres.

1.6 MATERIAL DEVELOPMENTS

As part of its internationalisation strategy, the Issuer has set-up a number of wholly-owned subsidiaries in the last five years as listed below.

Subsidiaries	Date of Incorporation	Country of Registration
Medserv International p.l.c.	4 August 2008	Malta

A subsidiary of Medserv p.l.c. acting as a holding company for the 60% stake in Medserv Misurata F.Z.C which was entrusted with the operation of a base in the free zone of the Misurata port in Libya. The base is used to support Libyan offshore operations.

Medserv Eastern Mediterranean Limited	18 August 2010	Malta

A subsidiary of Medserv p.l.c. acting as a holding company for the 55% stake in Medserv (Cyprus) Limited.

Subsidiaries	**Date of Incorporation**	**Country of Registration**
Medserv Italy Limited	28 October 2010	Malta

A subsidiary of Medserv p.l.c. acting as a holding company for the 50% stake in Medserv Italia s.r.l.

Medserv Libya Limited	5 April 2012	Malta

A subsidiary of Medserv p.l.c. set up to avail of business opportunities expected onshore Libya. This new subsidiary is envisaged to participate in new activities such as maintenance.

Medserv East Africa Limited	3 October 2012	Malta

A subsidiary of Medserv p.l.c. which was initially set up to tender, in partnership with a substantial international company, for a three year contract to manage and operate a base in Tanzania to serve the region's offshore industry. Although this subsidiary (through the partnership) was not awarded this contract, the Group intends to maintain its presence in the region in a bid to secure other business opportunities.

Sub-Subsidiaries	**Date of Incorporation**	**Country of Registration**
Medserv (Cyprus) Limited	10 November 2011	Cyprus

Medserv Eastern Mediterranean Limited owns a 55% shareholding in Medserv (Cyprus) Limited which is licenced to operate a base in Limassol and another in Larnaka. The Group sought a presence in this country in view of the substantial discoveries of fossil fuels in Cypriot territorial waters. The Cypriot base may also be used to serve other clients in the Eastern Mediterranean region.

Joint-Ventures	**Date of Incorporation**	**Country of Registration**
Medserv Italia s.r.l.	3 November 2010	Italy

This joint-venture, owned by Medserv Italy Limited and Filgest s.r.l. (a privately owned Italian based company), was established to operate a logistics base in Sicily as exploration activity offshore Sicily is expected to commence by the end of 2014.

In addition to the above, during 2012 a dedicated maintenance unit was set up to provide general maintenance services to rigs, platforms and other vessels involved in offshore drilling activities. This specialised unit completed its first contract in 2012 and a second contract was awarded during the first half of 2013. These services are being provided through the Guarantor operating out of Malta. However, future business in this regard may also be transacted from the newly set up subsidiary Medserv Libya Limited.

1.7 MATERIAL CONTRACTS

1.7.1 Malta base concession agreements

Temporary Emphyteusis

Medserv Operations Limited holds a non-transferable temporary emphyteusis for a period up to 29 May 2045 which was granted by the Malta Freeport Corporation Limited by virtue of several notarial deeds and by consent of the House of Representatives. This concession agreement allows the Group to use a private quay with a total length of 239 metres and a plot of land (within the Malta Freeport) measuring around 50,325 square metres. The concession agreement was provided to Medserv Operations Limited to carry out its business, namely that of providing storage and services to the oil industry, oil companies and other companies using its facilities.

Medserv Operations Limited is obliged to pay an annual temporary ground rent which is revisable every four years subject to a maximum increase of 15%. Medserv Operations Limited is also obliged to pay a daily berthing fee, revisable every four years, for each vessel that uses its quay.

New Lease Agreement

On 5 December 2012, Medserv Operations Limited entered into a new 15-year lease agreement which comes into effect upon the termination of the temporary emphyteusis in 2045. As a result, Medserv Operations Limited will have the right to use the land and quay at the Malta Freeport up to 29 May 2060.

Under the new lease agreement, Medserv Operations Limited will be obliged to pay an annual rent revisable upwards at the end of every fifth year by 10% with the first revision expected to take place on 29 May 2050.

The new lease is subject to a number of conditions including an investment programme of €9 million. Medserv Operations Limited is bound to invest €5 million by not later than 31 December 2016 to complete the paving of the outside areas of the leased property, to purchase plant and equipment for use on or in connection with the sites, to construct an additional warehouse with specialised internal stacking systems and to upgrade the fenders along the quay. Furthermore, by not later than 31 December 2021, Medserv Operations Limited is obliged to invest an additional €4 million to purchase additional plant and equipment for use on or in connection with the sites or the operations carried out thereon.

1.7.2 Libya base concession agreement

On 6 December 2007, Medserv Misurata F.Z.C. reached a 30-year agreement with the Misurata Free Zone Authority allowing the former to use a 200-metre long quay as well as land measuring 27,500 square metres (comprising a warehouse of 7,500 square metres and 20,000 square metres of open storage area) situated in the Misurata Free Zone Port in Libya.

The terms of the agreement stipulate that Medserv Misurata F.Z.C. was obliged to pay an annual fee equivalent to a percentage of its gross annual turnover for the period ended 31 December 2011. Subsequently, Medserv Misurata F.Z.C. is obliged to pay a lump sum subject to a 2% increase every year starting from 2013.

Given that the operations of Medserv Misurata F.Z.C. have been disrupted by the 2011 conflict in Libya and the warehouse was damaged, the 2012 annual fee for use of the base is being disputed with the Misurata Free Zone Authority. As a result, the Group has sought legal advice in this respect and has provided for a lease charge in the 2012 accounts equivalent to the percentage of revenue generated from the Libya base during the year.

1.7.3 Operating licence

Medserv Operations Limited holds a licence which was granted in terms of the Malta Freeports Act 1989. The licence allows Medserv Operations Limited to carry out the following activities:

- The general trade, operations, management and marketing of a storage, service and spare parts centre for the oil industry at the Malta Freeport, Port of Marsaxlokk, Malta, and the establishment, supply, maintenance, and operation of all services related or ancillary thereto;
- The carrying on of all or any of the trades or businesses of carriers and handlers by land, water and air of products;
- Acting as advisers, consultants, brokers and agents;
- Acting as marine engineers, storage contractors, wharfingers and warehousemen;
- The production, manufacture, processing, importing, exporting, storing and dealing of all kinds of machines, articles, products and things necessary or useful for the above activities;
- The rendering of services that are analogous or complementary to the foregoing, including initiatives that may benefit the environment.

The licence is valid until 28 May 2045 (in line with the original emphyteusis on the land and quay at the Malta Freeport) but will automatically be renewed for a further 15 years up to 28 May 2060 if and when the new lease granted pursuant to the deed signed between Malta Freeport Corporation Limited and Medserv Operations Limited dated 5 December 2012 becomes effective.

1.7.4 Collective agreement

On 31 December 2011, Medserv Operations Limited entered into a collective agreement with the General Workers' Union (Metal and Construction Sector) which represents the majority of the company's employees. The agreement, which expires on 31 December 2014, covers the yard operators, mechanics, foremen, clerical officers, senior clerical officers, cleaners and housekeepers.

1.7.5 Key client agreements

The Group has a number of service contracts with its key clients. These contracts stipulate the provision of specified services from the Malta base to the clients' offshore activities. These include but are not limited to, material handling, storage and transportation services, provision of a logistics base and offshore logistic support services. Terms of typical contracts range from one to three years.

1.7.6 Licences to operate Limassol and Larnaka bases

The Group, through its 55% shareholding in Medserv (Cyprus) Limited, was granted two licences to operate a base in the port of Limassol and another base in the port of Larnaka by the Cyprus Ports Authority.

Licence for use of space at the port of Larnaka

The licence covers 2,100 square metres of enclosed storage space as well as 1,221 square metres in open asphalted space. The licence allows the use of the quay. Although Medserv (Cyprus) Limited was not given the exclusive use of the quay, the Cyprus Ports Authority shall give priority to the vessels of its clients.

The licence is valid for one year to be reviewed annually thereafter. The licence also requires the Group to furnish a bank guarantee covering 1.25 times the overall licence fee.

Furthermore, Medserv (Cyprus) Limited requested an additional 20,000 square metres of open area and warehousing from the Cyprus Ports Authority.

Licence for the use of land area at the port of Limassol

Initially, the Group had been granted an area measuring 8,000 square metres. A further 5,000 square metres will be provided once the area is released by the contractor undertaking the construction of the north quay of the Limassol port.

The licence, which is valid for five years until 30 June 2017, requires Medserv (Cyprus) Limited to furnish an irrevocable bank guarantee as well as maintain an insurance policy to cover third-party liability together with an employer's liability insurance.

2 ISSUER PERFORMANCE & FINANCIAL POSITION OVERVIEW

The financials presented in sections 2 and 3 have been prepared by the Issuer and cover the actual results of the past five financial years, the consolidated forecast for 2013 and the consolidated projection for 2014 in terms of the Listing Authority policies dated 5th March 2013.

The projection is based on the premise that the Issuer will successfully offer €13 million 6% Notes ("the Notes"). These funds are earmarked for the repayment of all outstanding bank facilities, financing the investments planned at the Malta base, funding the development of the Cypriot operation and supporting the working capital of the Group. The realisation of this projection is based on a number of other assumptions and their validity is the responsibility of the Issuer.

2.1 STATEMENT OF COMPREHENSIVE INCOME

Medserv p.l.c. *for the financial years ended 31 December*	*ACTUAL* *12 months* 2008 €000	*ACTUAL* *12 months* 2009 €000	*ACTUAL* *12 months* 2010 €000	*ACTUAL* *12 months* 2011 €000	*ACTUAL* *12 months* 2012 €000	*FORECAST* *12 months* 2013 €000	*PROJECTION* *12 months* 2014 €000
Revenue	**15,565**	**17,528**	**11,716**	**9,205**	**6,709**	**9,717**	**14,409**
Cost of Sales	(12,006)	(12,163)	(9,418)	(6,628)	(5,597)	(6,201)	(9,047)
Gross Profit	**3,559**	**5,365**	**2,298**	**2,577**	**1,112**	**3,516**	**5,362**
Other income	6	112	270	140	21	22	12
Administrative expenses	(1,691)	(1,550)	(1,476)	(1,088)	(1,578)	(1,467)	(1,644)
Other expenses	(288)	(4)	(219)	(134)	(38)	-	-
EBITDA	**1,586**	**3,923**	**873**	**1,495**	**(483)**	**2,071**	**3,730**
Depreciation and amortisation	(521)	(667)	(748)	(398)	(504)	(789)	(1,243)
Results from operating activities	**1,065**	**3,256**	**125**	**1,097**	**(987)**	**1,282**	**2,487**
Finance income	43	15	4	-	-	10	28
Finance costs	(133)	(88)	(97)	(87)	(165)	(319)	(808)
Net finance costs	**(90)**	**(73)**	**(93)**	**(87)**	**(165)**	**(309)**	**(780)**
Share of loss of jointly-controlled entity *(net of tax)*	-	-	-	(3)	(2)	(1)	-
Profit / (Loss) before tax	**975**	**3,183**	**32**	**1,007**	**(1,154)**	**970**	**1,707**
Tax income / (expense)	324	(376)	83	(191)	775	580	(659)
Profit for the period	**1,299**	**2,807**	**115**	**816**	**(379)**	**1,550**	**1,048**
Profit attributable to:							
Owners of the Company	1,134	2,327	119	761	(251)	1,640	1,136
Non-controlling interest	165	480	(4)	55	(128)	(90)	(89)
Profit for the period	**1,299**	**2,807**	**115**	**816**	**(379)**	**1,550**	**1,048**

Source: Medserv p.l.c Annual Reports, Management information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences

The results of the five financial years between 2008 and 2012 as well as the results for the first half of 2013 mainly reflect the performance of the Issuer's two key operating companies, namely Medserv Operations Limited and Medserv Misurata F.Z.C.

The 2008 and 2009 financial results were boosted by the increased income generated from services and support to exploratory wells in the Mediterranean rim, particularly in offshore Libya, with revenues for such services reaching €8.9 million in 2009. This reflects the Issuer's ability to capitalise on any business arising from offshore oil and gas activity within the Mediterranean rim countries.

Following the positive financial results recorded in 2008 and 2009 on the back of new offshore exploratory projects in the Mediterranean region, the operations and financials of the Issuer were adversely impacted in subsequent years by the developments in the international oil industry in 2010 as well as the political events in Libya in 2011 and the ensuing instability across North Africa.

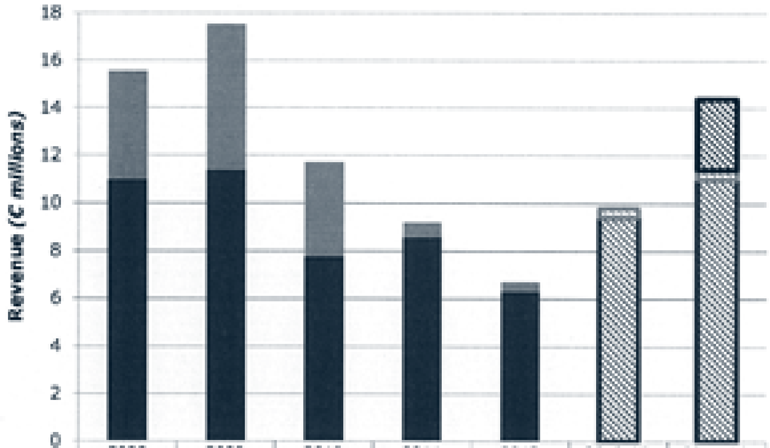
Revenue breakdown by Service	*ACTUAL* **2008** *€ '000*	*ACTUAL* **2009** *€ '000*	*ACTUAL* **2010** *€ '000*	*ACTUAL* **2011** *€ '000*	*ACTUAL* **2012** *€ '000*	*FORECAST* **2013** *€ '000*	*PROJECTION* **2014** *€ '000*
Exploratory & Production wells	3,320	8,866	2,302	492	291	3,369	8,551
Rig stops	1,009	2,145	2,773	1,697	1,461	500	1,010
General logistics & support	4,544	4,907	3,209	3,549	3,186	3,328	3,017
Bunkering	4,512	1,008	2,264	1,760	805	-	-
Offshore maintenance	-	-	-	1,083	910	2,515	1,263
Mud project (Tanzania)	-	-	-	610	-	-	-
Transport & specialised services	2,180	603	1,168	13	57	4	4
Photovoltaic farm feed-in	-	-	-	-	-	-	564
Total Revenue	**15,565**	**17,528**	**11,716**	**9,205**	**6,709**	**9,717**	**14,409**

Source: Management information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences

The BP incident in the Gulf of Mexico in the first quarter of 2010 led to the postponement of all offshore exploration activities throughout the world, including the Mediterranean region. As a result, the exploratory projects expected to commence in the second quarter of 2010 from the Issuer's bases in Malta and Misurata were delayed and this resulted in a 74% decline in revenues from exploration activities to €2.3 million in 2010. Furthermore, the performance of the bases was also adversely impacted by the 2010 Swiss-Libyan dispute. Nonetheless, during 2010, the Issuer still strived to maximise the use of its facilities by attracting heavy equipment and barges passing through the Mediterranean thereby increasing revenue from rig stops to €2.7 million in 2010 representing a 29.3% increase over the previous year. During 2010, the Issuer also serviced production platforms and managed the transport, treatment and disposal of waste for IOCs operating in North Africa. Overall, the Issuer generated a total of €11.7 million in revenues during 2010 which represented a 33% drop from the previous year's revenue figure.

In the first half of 2011, the Issuer's operations were further dented by the civil war in Libya which halted the operations at the Issuer's base in Misurata. The civil unrest in Libya and other countries in the North African region caused further delays in offshore projects of an exploratory nature and also led to a reduction in rig traffic in the Mediterranean. This led to a sharp reduction in the Issuer's revenue from 'Exploratory wells', 'Rig Stops' and 'Bunkering'. In the last few months of 2011, the Issuer was awarded contracts in connection with the restarting of oil and gas production in Libya which were administered through the Malta base. As a result, the Issuer generated €9.2 million in revenue during 2011 representing a 21% drop from 2010 with the revenue contribution from the Misurata base falling sharply to below 10% of overall Issuer revenues from over 30% in the preceding years (see chart 'Revenue Contribution from Malta & Libya Bases'). Nonetheless, the events in Libya presented an opportunity for the Issuer to start generating a new revenue stream from maintenance services. This generated €1.1 million and €0.9 million in revenue during 2011 and 2012 respectively.

Revenue Contribution from Medserv Group Bases



	2008 € '000	2009 € '000	2010 € '000	2011 € '000	2012 € '000	2013 (F) € '000	2014 (P) € '000
Cyprus	0	0	0	0	0	0	3,000
Libya (Misurata)	4,591	6,191	3,975	660	425	400	400
Malta	10,974	11,337	7,741	8,545	6,284	9,400	11,000

Source: Medserv plc Annual Reports and Management Information

In 2012, the Misurata base, although open for business, witnessed no activity from customers except for renewal of storage contracts which generated enough revenue to cover the base's day-to-day expenditure. Furthermore, although in 2012, production levels of oil and gas in Libya reached pre-war levels, oil exploration activities offshore Libya failed to resume. As a result, the Issuer's revenues suffered a further 27.1% drop to €6.7 million. However during the second half of 2012 the Issuer experienced an upturn in revenue on a month-by-month basis. Revenue generated in the second half of 2012 represented 62% of revenue for the year. The majority of the revenue registered in the second half of 2012 related to logistical work and support being carried out in anticipation of major oil and gas projects. Revenue continued to grow during the first six months of 2013 against the comparative six month period in 2012 as the Issuer generated a further €2 million in revenue relating to general logistics and support services as well as €1.6 million from the newly launched offshore maintenance service.

The Issuer's forecast for the remainder of 2013 and projection for 2014 is based on the current strategy and takes into account existing key clients' scheduled project plans. Revenues from exploratory wells and production structures are the main drivers of revenue growth. Offshore maintenance revenue is also expected to improve whereas general logistics and support is expected, in the main, to remain at fairly stable levels. Revenue from the photovoltaic farm feed-in is expected to commence during 2014. The Malta base is expected to continue to be the primary site from which this business is generated as revenue from Misurata is projected to remain very limited in view of the ongoing uncertain political situation. Furthermore, the short-term outlook for this operation remains subdued although it has been awarded two important contracts for exploration projects to take place once the political environment stabilises. Nonetheless, according to the Issuer, the long-term outlook for Libya remains positive and is expected to remain a principal market for the Issuer although there can be no guarantee that lost business in Libya will be brought back to pre-conflict levels. Cyprus, on the other hand, is assumed to start contributing to Issuer revenues during 2014. This is expected to amount to 20.8% of total revenues for the year.

Given the declines in revenue in the period 2010 to 2012 and the Issuer's significantly fixed operating cost base, the Issuer reported a contraction in earnings before interest, tax, depreciation and amortisation (EBITDA) and operating profit. During 2012, the Issuer reported a negative EBITDA and an operating loss. However, in the first six months of 2013, the Issuer returned a positive EBITDA of just over €0.9 million which was substantially driven by the increased revenue from the Malta operation consisting principally of a number of new types of engineering operations tied to continued preparations by IOCs for upcoming projects in the Mediterranean particularly offshore Libya. EBITDA is expected to further improve in the second half of 2013 and 2014 on the back of the increase in business activity and the Issuer's predominantly fixed cost base. This is mainly composed of rent and administrative expenses which include wages and salaries.

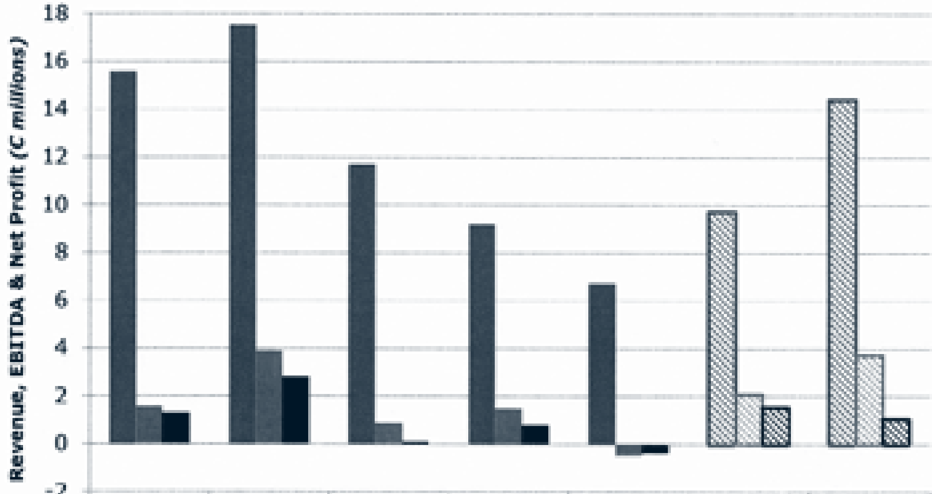
In line with the Issuer's increase in borrowings during the 2012 financial year to finance its capital projects in anticipation of future business and expansion plans, net finance costs increased to €0.16 million in 2012 from the very low levels of previous years reflecting the relatively low gearing ratio of the Issuer. Finance costs are anticipated to increase as from the second half of 2013 following the issuance of the Notes. In 2014, finance costs (including amortised costs on the first Tranche of the Notes) are expected to stabilise at around €0.8 million.

As from the 2011 financial year, the Issuer also accounted for its 50% shareholding in Medserv Italia s.r.l. This joint-venture has been loss-making since inception given the delays to projected works due to regional issues. As a result, this joint-venture is projected to have a neutral impact in the Issuer forecasts.

The strong profitability in 2008 and 2009 reflects the business activity momentum that had picked up at the time. Naturally, as described above, as activity dropped and revenues declined, the profitability of the Issuer was subsequently negatively impacted. As a result, the Issuer registered a pre-tax loss of €1.2 million in 2012 - the first annual loss in the last five years. After accounting for a tax credit of €0.78 million and minority interest of €0.13 million (relating to the 40% shareholding in Medserv Misurata F.Z.C. and the 45% shareholding in Medserv (Cyprus) Ltd held by third parties), the net loss attributable to owners of the Company was reduced to €0.25 million in 2012. However, in the first half of 2013, the Company returned to a profitable position with a net profit of €0.51 million which mainly reflects the profits of the Malta base as the Misurata base remained largely inoperative even in the first six months of 2013. The Issuer is expected to register further profit increases in the remaining months of 2013 and across 2014 mainly reflecting the more attractive margins on the expected increase in logistical and support services to exploratory and production wells in the Mediterranean.

Key figures from Statement of Comprehensive Income

for the financial years ended 31 December 2008 - 2012, forecast for 2013 and projection for 2014



	2008	2009	2010	2011	2012	2013 (F)	2014 (P)
Revenue	15,565	17,528	11,716	9,204	6,709	9,717	14,409
EBITDA	1,586	3,923	873	1,495	-483	2,071	3,730
Profit for the period	1,299	2,807	115	816	-379	1,550	1,048

Source: Medserv plc Annual Reports and Management Information

2.2 STATEMENT OF CASH FLOWS

Medserv p.l.c. *for the financial years ended 31 December*	*ACTUAL* *12 months* **2008** *€000*	*ACTUAL* *12 months* **2009** *€000*	*ACTUAL* *12 months* **2010** *€000*	*ACTUAL* *12 months* **2011** *€000*	*ACTUAL* *12 months* **2012** *€000*	*FORECAST* *12 months* **2013** *€000*	*PROJECTION* *12 months* **2014** *€000*
Net cash from / (used for) operating activities	1,107	2,596	2,237	(246)	533	1,262	2,798
Net cash used for investing activities	(718)	(1,041)	(424)	(208)	(1,233)	(6,081)	(3,425)
Net cash from / (used for) financing activities	(251)	(970)	(2,010)	(363)	10	11,140	(1,357)
Net movements in cash and cash equivalents	**138**	**585**	**(197)**	**(817)**	**(690)**	**6,320**	**(1,984)**
Cash and cash equivalents at beginning of the year*	(363)	(193)	334	119	(585)	(1,316)	5,031
Effects of exchange rate fluctuations on cash held	32	85	(226)	113	(2)	26	-

Cash released from / (pledged as) guarantee	-	(143)	208	-	(38)	-	-
Cash and cash equivalents at end of year*	**(193)**	**334**	**119**	**(585)**	**(1,315)**	**5,031**	**3,047**

Source: Medserv p.l.c Annual Reports, Management information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences
** Opening and closing cash balances have been restated to reflect changes in exchange rates from the prior year*

The 'net cash generated from operating activities' (CFO) declined in line with the lower levels of business activity reported in recent years. Nonetheless, the Issuer was in receipt of a significant amount of trade receivables in 2010 (€3.86 million) and 2012 (€1.71 million) which lifted the CFO figures in each respective year. The support services provided by the Malta base to clients preparing for new projects during the first six months of 2013 helped generate positive cash flows from operations indicating the expected pick up in offshore activity. This trend is expected to continue in the second half of 2013 and in 2014.

The Issuer's commitment to continue investing in the business is confirmed by the 'net cash used for investing activities' (CFI) through the years. It is noteworthy to highlight the investment programmes covering the facilities in Misurata in 2008 and an additional warehouse at the Malta base in 2009. Moreover, in 2012 the Issuer spent €1.2 million in new equipment at the Malta base which should lead to cost savings in the future as the Issuer will no longer need to rent all this equipment which is in frequent use from third parties. Furthermore, the Issuer has also invested in annual maintenance of its property, plant and equipment. The Issuer will also be undertaking a major investment programme in the latter part of 2013 and throughout 2014. This mainly relates to the photovoltaic farm at the Malta base and the financing to set up the Cyprus bases including the acquisition of plant and equipment.

The 'net cash used for financing activities' (CFF) figures for the years 2008 to 2011 mainly reflect the repayment of bank debt and shareholders loans' together with the respective interest charges. Furthermore, during the years 2009 to 2012, the Issuer distributed €2.7 million in dividends to shareholders. Meanwhile, in 2012, the Issuer took on new borrowings of €0.83 million in view of the capital projects and planned geographical expansion. In 2013, CFF figures will be boosted by the €13 million proceeds from the issuance of the first tranche of the Notes whilst in 2014, CFF is only expected to comprise interest and dividend payments.

2.3 STATEMENT OF FINANCIAL POSITION

Medserv p.l.c. *As at 31 December*	*ACTUAL* *12 months* **2008** ***€000***	*ACTUAL* *12 months* **2009** ***€000***	*ACTUAL* *12 months* **2010** ***€000***	*ACTUAL* *12 months* **2011** ***€000***	*ACTUAL* *12 months* **2012** ***€000***	*FORECAST* *12 months* **2013** ***€000***	*PROJECTION* *12 months* **2014** ***€000***
ASSETS							
Property, plant and equipment	4,102	4,728	4,517	4,336	5,065	10,357	12,539
Investment in jointly-controlled entity	-	-	5	2	-	-	-
Deferred tax assets	4,018	3,678	3,776	3,546	4,315	4,901	4,254
Total non-current assets	**8,120**	**8,406**	**8,298**	**7,884**	**9,380**	**15,258**	**16,793**
Inventories	-	-	-	-	73	-	-
Current tax asset	48	61	83	-	-	-	-
Trade and other receivables	6,199	7,354	4,051	4,998	3,259	3,954	5,401
Cash at bank and in hand	447	1,071	947	335	531	5,069	3,086
Total current assets	**6,694**	**8,486**	**5,081**	**5,333**	**3,863**	**9,023**	**8,487**
Total assets	**14,814**	**16,892**	**13,379**	**13,217**	**13,243**	**24,281**	**25,280**

LIABILITIES							
Loans and borrowings *(unlisted)*	889	889	830	648	943	-	-
Non-current portion of bond *(listed)*	-	-	-	-	-	12,634	12,662
Provisions	26	31	32	28	37	37	37
Total non-current liabilities	**915**	**920**	**862**	**676**	**980**	**12,671**	**12,699**
Current tax payable	-	41	77	31	25	-	-
Loans and borrowings *(unlisted)*	1,084	1,021	882	1,145	2,262	-	-
Current portion of bond *(listed)*	-	-	-	-	-	195	195
Trade and other payables	5,470	5,328	3,451	2,741	2,026	1,914	2,415
Total current liabilities	**6,554**	**6,390**	**4,410**	**3,917**	**4,313**	**2,109**	**2,610**
Total liabilities	**7,469**	**7,310**	**5,272**	**4,593**	**5,293**	**14,780**	**15,309**
Share capital	2,329	2,329	2,329	2,329	2,329	2,324	2,324
Reserves	3,902	3,674	3,767	3,559	4,318	4,597	3,937
Retained earnings	757	2,922	1,598	2,267	958	2,333	3,553
Total equity attributable to owners of the Company	**6,988**	**8,925**	**7,694**	**8,155**	**7,605**	**9,254**	**9,814**
Non-controlling interest	357	657	413	469	345	246	157
Total equity	**7,345**	**9,582**	**8,107**	**8,624**	**7,950**	**9,500**	**9,971**
Total equity and liabilities	**14,814**	**16,892**	**13,379**	**13,217**	**13,243**	**24,281**	**25,280**

Source: Medserv p.l.c Annual Reports, Management Information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences

The Issuer's asset base has been relatively stable around the €13 million mark as the reduction in trade receivables was offset by the growth in property, plant and equipment as well as a deferred tax asset. The latter mainly comprises €3.8 million in investment tax credits generated by Medserv Operations Limited. This subsidiary is entitled to two types of investment tax credits which are granted in lieu of certain investments it undertakes. One type grants 40% of the investment (same for all-medium sized companies) whilst other special tax credits are calculated at 75% of the qualifying expenditure. These tax credits can be used to offset future profits of Medserv Operations Limited although the special tax credits expire on 31 December 2020 and therefore may not be utilised in full if the subsidiary does not generate enough taxable profits by such date.

Over 90% of the Issuer's trade receivables as at 30 June 2013 were due to Medserv Operations Limited. Furthermore, the major IOC operating offshore Libya is the Issuer's largest debtor as it accounts for 64.7% of the Issuer's total trade receivables amounting to €2.6 million as at 30 June 2013. Importantly, 75% of the Issuer's debtors have been outstanding for 60 days or less.

The Issuer's asset base is expected to grow to €25.3 million by 31 December 2014 reflecting the investments to be undertaken at the Malta base as well as the bases in Cyprus. The investments in Malta form part of the capital commitments of Medserv Operations Limited totalling €9 million in terms of the new lease agreement of the Malta base as per the concession deed dated 5 December 2012.

Total liabilities declined from €7.5 million as at 31 December 2008 to just over €4.4 million as at 30 June 2013 largely reflecting the €4.3 million reduction in trade payables to €1.2 million as at 30 June 2013. The majority of the Issuer's total trade payables, amounting to just over €0.86 million as at 30 June 2013, are due by Medserv Operations Limited.

Meanwhile, during the same period, the Issuer's bank borrowings increased by €1.2 million. Medserv Operations Limited holds all of the €3.2 million in interest-bearing borrowings as at 30 June 2013 which comprised €1.1 million in outstanding loans and €2.1 million in bank overdraft facilities.

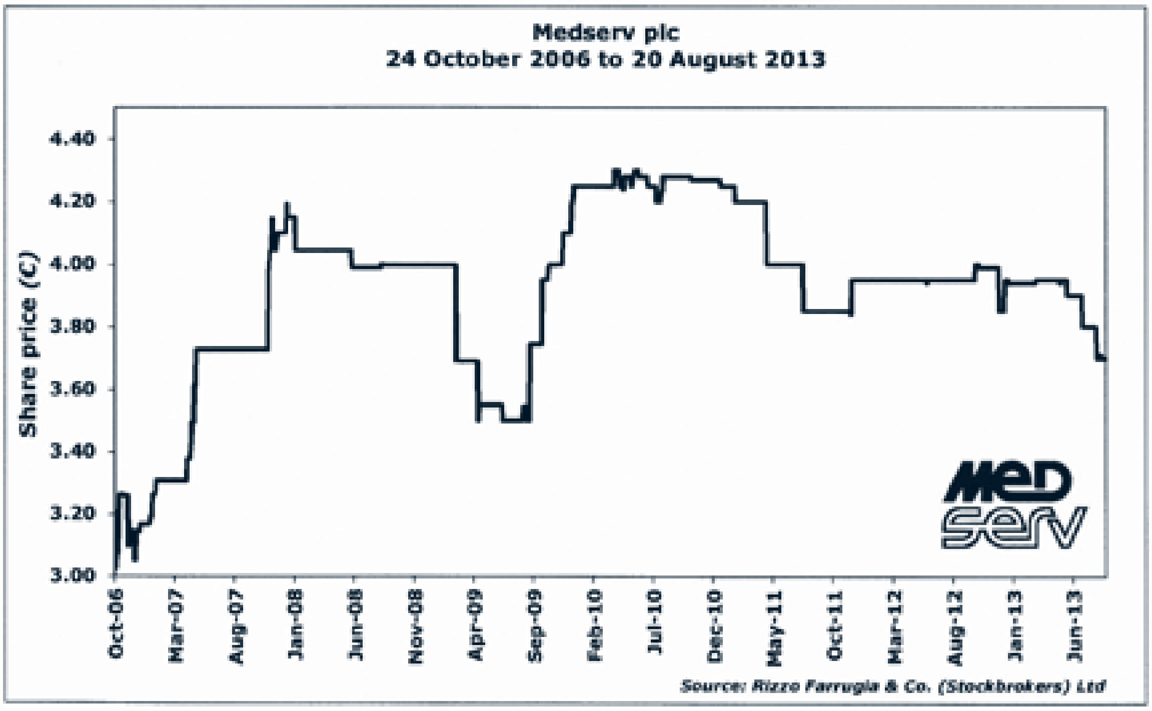
The Issuer will utilise a portion of the €13 million raised from the issuance of the first tranche of Notes to repay its outstanding bank loans and overdraft. The remaining funds will be used to finance the investments at the Issuer's bases in Malta and Cyprus. Overall, the Issuer's liabilities will rise to €14.8 million by the end of the 2014 financial year.

The Issuer's equity base was also stable around the €8 million mark during the years under review. However by 31 December 2014, the Issuer's equity base is expected to grow to almost €10 million reflecting the growth in 'Retained Earnings' on the back of the profitability projected for the 2013 and 2014 financial years.

The temporary emphyteusis and the lease the Issuer owns (through the Guarantor) with respect to the land at the Freeport, was valued at €40 million as at 30 June 2013. This is accounted for as an operating lease and is not recognised in the Statement of Financial Position.

2.4 PERFORMANCE & FINANCIAL STRENGTH EVALUATION

Medserv p.l.c. - Key market data as at 20 August 2013	
Shares in issue	**10,000,000**
Nominal Value	**€0.2329**
Share Price	**€3.700**
Market Capitalisation *(Share price * Shares in issue)*	**€37,000,000**
Enterprise Value *[(Market Capitalisation + Total Debt) - (Cash and cash equivalents + short-term investments)]*	**€39,841,634**
Earnings per share *[EPS] – for the financial year ended 31 December 2012* *(Profit attributable to owners of the company / Weighted average shares in issue)*	**€(0.025)**



PROFITABILITY RATIOS *Measuring a company's ability to generate profitable sales from its assets*	*ACTUAL* 2008	*ACTUAL* 2009	*ACTUAL* 2010	*ACTUAL* 2011	*ACTUAL* 2012	*FORECAST* 2013	*PROJECTION* 2014
Gross Profit margin *(Gross Profit / Revenue)*	22.87%	30.61%	19.61%	28.00%	16.57%	36.18%	37.21%
EBITDA margin *(EBITDA / Revenue)*	10.19%	22.47%	7.46%	16.25%	N/A	21.31%	25.89%
Operating Profit margin *(Operating Profit / Revenue)*	6.84%	18.66%	1.07%	11.92%	N/A	13.19%	17.26%
Net Profit margin *(Profit for the period / Revenue)*	8.35%	16.02%	0.98%	8.87%	N/A	15.97%	7.27%
Return on Equity *(Profit attributable to owners of the Company / Average Equity attributable to owners of the Company)*	17.66%	29.43%	1.43%	9.61%	N/A	19.48%	11.93%
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	14.55%	27.13%	1.08%	8.07%	N/A	9.27%	4.64%
Return on Assets *(Profit for the period / Average Assets)*	10.29%	17.71%	0.76%	6.14%	N/A	6.39%	4.23%

Profitability ratios largely depend on the service mix provided during the year. In 2008 and 2009, the Issuer enjoyed healthy profitability ratios on the back of the high levels of business activity related to exploratory works which carry more attractive margins.

The profitability ratios declined sharply in 2010 given the reduction in revenue and the fixed nature of the Issuer's cost base described above. Moreover, given that offshore oil operations around the globe were at a standstill in 2010, the Issuer's lower profit margins were also due to an increased element of low margin business such as bunkering.

In 2011, Medserv managed to generate healthier profitability ratios as it could command higher rates given that it was providing support in a more complex and risky operating environment in its main market, Libya, which was in the midst of a civil war. Furthermore, the Issuer also managed to achieve some cost savings including a 20% reduction in all employees' wages and salaries for a four month period.

However, as Libya began to recover from the 8-month conflict (which ended in October 2011), the Issuer suffered margin compression in 2012. Moreover, in 2012 the Issuer also experienced a further decline in business activity, and hence revenues, as exploratory works in offshore Libya did not restart. The Issuer's profitability ratios were further impacted by an increase in certain costs incurred in anticipation of the expected upturn in business activity including an increase in the Issuer's overall wage bill in line with the strengthening of the management team.

In the first half of 2013, the profitability ratios of the Issuer improved largely due to the €1.2 million in offshore maintenance works, comprising new types of engineering operations, which accounted for 42.7% of the Issuer's revenues and which carry more attractive margins. This trend is expected to continue during the remainder of 2013 and in 2014. The forecast for 2013 and projection for 2014 indicate an improvement in the gross profit margin to over 35%. This is mainly driven by an assumed significant increase in projected revenue from business activities related to exploratory and production wells. Furthermore, the Issuer is also expecting to be awarded other maintenance contracts. Both activities carry a high margin. In addition, given the Issuer's largely fixed cost base, a substantial decrease in direct costs as a percentage of revenue is being anticipated. Similarly, an improvement is also being anticipated for the other profitability ratios.

LIQUIDITY RATIOS *Measuring a company's ability to meet its short-term obligations*	*ACTUAL* 2008	*ACTUAL* 2009	*ACTUAL* 2010	*ACTUAL* 2011	*ACTUAL* 2012	*FORECAST* 2013	*PROJECTION* 2014
Current Ratio *(Current Assets / Current Liabilities)*	1.02x	1.33x	1.15x	1.36x	0.90x	4.28x	3.25x

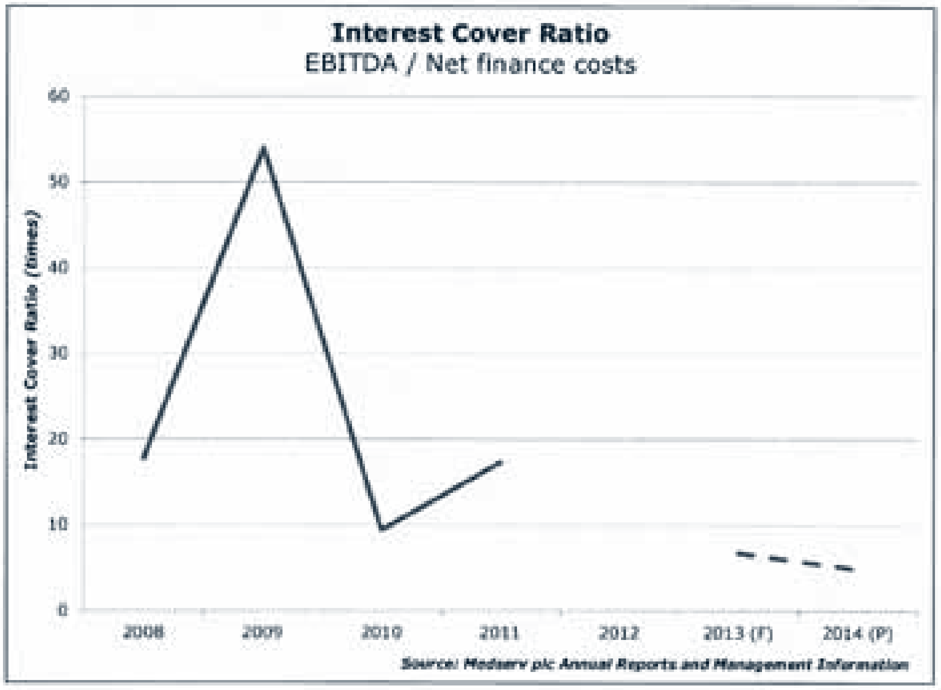
Quick Ratio *(Current Assets less Inventories / Current Liabilities)*	1.02x	1.33x	1.15x	1.36x	0.88x	4.28x	3.25x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.07x	0.17x	0.21x	0.09x	0.12x	2.40x	1.18x

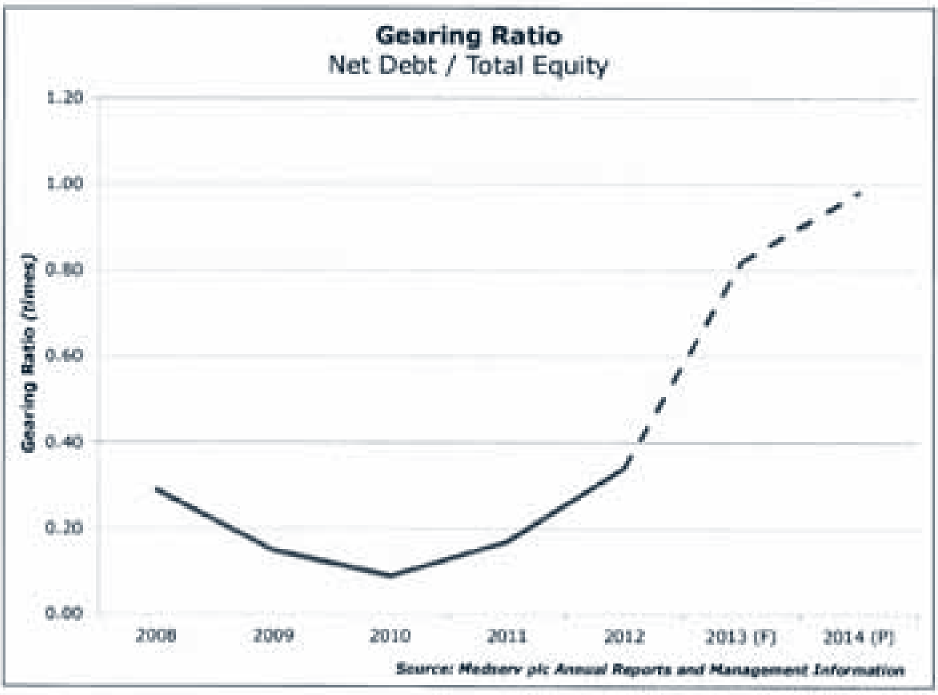
Given the decline in business activity described above coupled with the increasing levels of short-term debt (namely €1.8 million in the bank overdraft as at 31 December 2012), the liquidity ratios of the Issuer have declined in recent years. Nonetheless, it is important to note that the Issuer has always managed to honour its commitments in a timely manner. Furthermore, the expected improvement in the Issuer's business pipeline as well as the restructuring of the Issuer's borrowings is expected to result in an improvement in the Issuer's financial position and therefore higher liquidity ratios as shown in the table above.

SOLVENCY RATIOS *Measuring a company's ability to meet its debt obligations*	*ACTUAL* 2008	*ACTUAL* 2009	*ACTUAL* 2010	*ACTUAL* 2011	*ACTUAL* 2012	*FORECAST* 2013	*PROJECTION* 2014
Interest Coverage ratio *(EBITDA / Net finance costs)*	17.74x	53.93x	9.38x	17.31x	N/A	6.70x	4.78x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.29x	0.15x	0.09x	0.17x	0.34x	0.82x	0.98x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	21.17%	16.62%	17.43%	17.21%	28.73%	57.45%	56.32%

Excluding 2012, Medserv has always maintained a healthy interest coverage ratio and is also expected to maintain this trend in 2013 and 2014 (see 'Interest Cover Ratio' chart below) despite the overall increase in the Issuer's debt levels.

It can also be noted that the Issuer had a relatively low gearing ratio. The increase in financial leverage registered in 2012 mainly reflects the increased level of debt which the Issuer had drawn down to finance its investment and general funding requirements in view of the envisaged pick-up in business activity and international expansion. The Issuer's leverage is also expected to increase further in 2013 and 2014 following the expected issuance of €13 million in interest bearing Notes. As indicated in the previous section, the value of the temporary emphyteusis and the lease the Issuer owns with respect to the land at the Freeport is not included in the 'Statement of Financial Position'.


Interest Cover Ratio
EBITDA / Net finance costs
Interest Cover Ratio (times)
60
50
40
30
20
10
0
2008
2009
2010
2011
2012
2013 (F)
2014 (P)
Source: Medserv plc Annual Reports and Management Information


Gearing Ratio
Net Debt / Total Equity
Gearing Ratio (times)
1.20
1.00
0.80
0.60
0.40
0.20
0.00
2008
2009
2010
2011
2012
2013 (F)
2014 (P)
Source: Medserv plc Annual Reports and Management Information

3 GUARANTOR PERFORMANCE & FINANCIAL POSITION OVERVIEW

3.1 STATEMENT OF COMPREHENSIVE INCOME

Medserv Operations Limited *for the financial years ended 31 December*	*ACTUAL 12 months* 2008 €000	*ACTUAL 12 months* 2009 €000	*ACTUAL 12 months* 2010 €000	*ACTUAL 12 months* 2011 €000	*ACTUAL 12 months* 2012 €000	*FORECAST 12 months* 2013 €000	*PROJECTION 12 months* 2014 €000
Revenue	**10,974**	**11,601**	**7,904**	**8,617**	**6,284**	**9,366**	**11,033**
Cost of Sales	(8,326)	(7,968)	(6,495)	(6,257)	(5,248)	(6,011)	(6,621)
Gross Profit	**2,648**	**3,633**	**1,409**	**2,360**	**1,036**	**3,355**	**4,412**
Other income	11	14	23	24	21	14	-
Administrative and other expenses	(1,440)	(1,122)	(779)	(910)	(1,385)	(1,203)	(1,229)
EBITDA	**1,219**	**2,526**	**654**	**1,475**	**(328)**	**2,166**	**3,183**
Depreciation and amortisation	(249)	(296)	(292)	(195)	(309)	(604)	(665)
Results from operating activities	**970**	**2,230**	**362**	**1,280**	**(637)**	**1,562**	**2,518**
Net finance costs	**(94)**	**(128)**	**(94)**	**(87)**	**(165)**	**(257)**	**(532)**
Profit / (Loss) before tax	**876**	**2,103**	**268**	**1,193**	**(802)**	**1,304**	**1,986**
Tax income / (expense)	335	(353)	25	(307)	789	523	(695)
Net Profit / (Loss) for the year	**1,212**	**1,750**	**292**	**886**	**(12)**	**1,828**	**1,291**

Source: Medserv Operations Limited Annual Reports, Management information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences

Medserv Operations Limited, being a key operating entity within the Group, witnessed similar trends in its financial performance as a result of the key events and Group initiatives described in Section 2.1.

The 2008 and 2009 financial results were boosted by the increased income generated from services and support to exploratory wells in the Mediterranean rim, particularly in offshore Libya. However, in subsequent years, the Guarantor was adversely impacted by the postponement of offshore projects which were initially targeted to start in 2010 following the BP oil spill in the Gulf of Mexico and the unrest across the North African region in 2011.

Revenue breakdown by Service	*ACTUAL* 2008 € '000	*ACTUAL* 2009 € '000	*ACTUAL* 2010 € '000	*ACTUAL* 2011 € '000	*ACTUAL* 2012 € '000	*FORECAST* 2013 € '000	*PROJECTION* 2014 € '000
Exploratory & Production wells	918	3,431	173	-	-	3,040	5,696
Rig stops	1,009	2,145	2,773	1,697	1,461	500	1,010
General logistics & support	4,535	5,017	2,694	3,394	3,109	3,311	2,500
Bunkering	4,512	1,008	2,264	1,833	805	-	-

Offshore maintenance	-	-	-	1,083	910	2,515	1,263
Mud project (Tanzania)	-	-	-	610	-	-	-
Photovoltaic farm feed-in	-	-	-	-	-	-	564
Total Revenue	**10,974**	**11,601**	**7,904**	**8,617**	**6,284**	**9,366**	**11,033**

Source: Management information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences

Nonetheless, in view of the unrest in Libya, Medserv Operations Limited substituted some of the lost revenue with new business opportunities related to the restarting of oil and gas production in Libya which would have otherwise been provided by the Libya base. This confirms the importance and resilience of the Malta base as the Guarantor only registered a minor loss of €12,000 in the financial year ended 31 December 2012 which is also the only loss registered in the last five years.

Furthermore, during the first half of 2013, Medserv Operations Limited returned to a profitable position as it continued to support various preparatory works ahead of upcoming projects in the Mediterranean particularly in offshore Libya. As projects come on stream in the following months, Medserv Operations Limited is expected to register further growth in turnover.

3.2 STATEMENT OF CASH FLOWS

Medserv Operations Limited *for the financial years ended 31 December*	*ACTUAL 12 months* **2008** *€000*	*ACTUAL 12 months* **2009** *€000*	*ACTUAL 12 months* **2010** *€000*	*ACTUAL 12 months* **2011** *€000*	*ACTUAL 12 months* **2012** *€000*	*FORECAST 12 months* **2013** *€000*	*PROJECTION 12 months* **2014** *€000*
Net cash from / (used for) operating activities	375	1,051	760	281	36	735	2,916
Net cash used for investing activities	(214)	(307)	(134)	(169)	(1,303)	(5,919)	(625)
Net cash from / (used for) financing activities	(251)	(580)	(946)	(359)	464	7,071	(2,070)
Net movements in cash and cash equivalents	**(89)**	**164**	**(319)**	**(247)**	**(875)**	**1,886**	**221**
Cash and cash equivalents at beginning of the year*	(489)	(557)	(421)	(680)	(912)	(1,790)	102
Effects of exchange rate fluctuations on cash held	20	(28)	(5)	15	(3)	6	-
Cash released from / (pledged as) guarantee	-	-	65	-	-	-	-
Cash and cash equivalents at end of year*	**(557)**	**(421)**	**(680)**	**(912)**	**(1,790)**	**102**	**323**

Source: Medserv Operations Limited Annual Reports, Management information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences
** Opening and closing cash balances have been restated to reflect changes in exchange rates from the prior year*

The cash flow trends described in Section 2.2 also apply to Medserv Operations Limited.

The 'net cash generated from operating activities' (CFO) declined in line with the lower levels of business activity reported in recent years. Nonetheless, Medserv Operations Limited was in receipt of a significant amount of trade receivables in 2010 (€2 million) for services provided in 2009. CFO figures are expected to further pick up in the remaining months of 2013 and 2014 reflecting the projected improvement in the Guarantor's business pipeline.

The commitment to continue investing in the business is confirmed by the 'net cash used for investing activities' (CFI) through the years which includes investment in a new warehouse in 2009 and new equipment in 2012. In 2013, Medserv Operations Limited is anticipated to undertake a number of investments on the Malta base.

The 'net cash used for financing activities' (CFF) figures over the years included advances made by the parent company, Medserv p.l.c., to Medserv Operations Limited and payments by the Guarantor to the parent company in relation to accumulated dividends. In the latter part of 2013, Medserv p.l.c. is expected to advance part of the Notes issue proceeds to Medserv Operations Ltd to finance these investments. Meanwhile, it is projected that the CFF of Medserv Operations Limited in 2014 will comprise, interest and dividend payments as well as loan repayments to Medserv p.l.c.

3.3 STATEMENT OF FINANCIAL POSITION

Medserv Operations Limited *As at 31 December*	*ACTUAL* *12 months* **2008** ***€000***	*ACTUAL* *12 months* **2009** ***€000***	*ACTUAL* *12 months* **2010** ***€000***	*ACTUAL* *12 months* **2011** ***€000***	*ACTUAL* *12 months* **2012** ***€000***	*FORECAST* *12 months* **2013** ***€000***	*PROJECTION* *12 months* **2014** ***€000***
ASSETS							
Property, plant and equipment	2,978	3,543	3,434	3,410	4,333	9,649	9,609
Deferred tax assets	4,018	3,678	3,709	3,410	4,193	4,717	4,022
Total non-current assets	**6,996**	**7,221**	**7,144**	**6,820**	**8,526**	**14,366**	**13,631**
Inventories	-	-	-	-	74	-	-
Current tax assets	14	9	-	-	-	-	-
Trade and other receivables	4,129	4,945	3,477	4,301	3,177	3,939	4,392
Cash at bank and in hand	82	233	141	10	16	102	323
Total current assets	**4,225**	**5,187**	**3,618**	**4,311**	**3,267**	**4,041**	**4,716**
Total assets	**11,221**	**12,408**	**10,762**	**11,131**	**11,794**	**18,407**	**18,347**
LIABILITIES							
Non-interest bearing loan from parent *(unlisted)*	-	-	-	2,000	2,000	2,000	2,000
Non-current portion of loan from parent *(unlisted)*	-	-	-	-	-	7,872	7,203
Non-current portion of bank loan *(unlisted)*	889	889	830	648	943	-	-
Provisions	26	31	32	28	37	37	37
Total non-current liabilities	**915**	**920**	**862**	**2,676**	**2,980**	**9,909**	**9,240**
Current tax liability	-	-	6	6	-	-	-
Current portion of bank loan and bank overdraft *(unlisted)*	1,084	1,021	882	1,144	2,260	-	-
Current portion of loan from parent *(unlisted)*	-	-	-	-	-	628	669
Accrued interest on loan from parent *(unlisted)*	-	-	-	-	-	138	128

Dividends	-	-	-	-	-	900	1,400
Trade and other payables	4,980	6,276	5,139	3,157	2,419	1,766	1,952
Total current liabilities	**6,064**	**7,297**	**6,027**	**4,307**	**4,678**	**3,431**	**4,149**
Total liabilities	**6,979**	**8,217**	**6,889**	**6,983**	**7,658**	**13,341**	**13,389**
Share capital	233	233	233	233	233	233	233
Reserves	4,009	3,958	3,640	3,915	3,902	4,400	3,740
Retained Earnings	-	-	-	-	-	433	984
Total equity	**4,242**	**4,191**	**3,873**	**4,148**	**4,135**	**5,067**	**4,957**
Total equity and liabilities	**11,221**	**12,408**	**10,762**	**11,131**	**11,794**	**18,407**	**18,347**

Source: Medserv Operations Limited Annual Reports, Management Information and Due Diligence Reports
Certain figures presented in this table may not add up due to rounding differences

Similarly, the movements in the financial position of the Group described in Section 2.3 are also reflective of the changes in Medserv Operations Limited.

During the years 2008 to 2012, the asset base has been stable around the €11.5 million level as the reduction in trade receivables was offset by the growth in property, plant and equipment as well as a deferred tax asset. The latter mainly comprises €3.8 million in investment tax credits generated by Medserv Operations Limited. The company is entitled to two types of investment tax credits which are granted in lieu of certain investments it undertakes, one type grants 40% of the investment (same for all-medium sized companies) and special tax credits calculated as 75% of the qualifying expenditure. These tax credits can be used to offset future profits of Medserv Operations Limited although the special tax credits expire on 31 December 2020.

The asset base of Medserv Operations Limited is expected to grow to over €18 million by the end of 2013 reflecting the investments to be undertaken at the Malta base. These form part of the capital commitments of Medserv Operations Limited totalling €9 million in terms of the new lease agreement of the Malta base as per the concession deed dated 5 December 2012.

Similarly, total liabilities were maintained around the €7 million level between 2008 and 2012 as the reduction in trade payables was counterbalanced by an increase in borrowings including a €2 million loan from its parent company, Medserv p.l.c. By the end of 2013, Medserv Operations Limited will restructure its borrowings. Medserv Operations Limited will pay back all bank loans and overdrafts whilst its parent company, Medserv p.l.c., will be forwarding a new interest bearing loan (from the proceeds of the Notes) to finance upcoming capital projects. As a result, the total liabilities of Medserv Operations Limited are expected to increase to over €13 million by then end of 2013 and remain at that level in 2014.

The Guarantor's equity base was also stable around the €4 million level. However in 2013 and 2014, the equity base is expected to grow to around €5 million reflecting the improved profitability projected for the 2013 and 2014 financial years.

Medserv Operations Limited has taken up the commitment to act as guarantor of the Notes.

3.4 PERFORMANCE & FINANCIAL STRENGTH EVALUATION

PROFITABILITY RATIOS *Measuring a company's ability to generate profitable sales from its assets*	*ACTUAL* 2008	*ACTUAL* 2009	*ACTUAL* 2010	*ACTUAL* 2011	*ACTUAL* 2012	*FORECAST* 2013	*PROJECTION* 2014
Gross Profit margin *(Gross Profit / Revenue)*	**24.13%**	**31.32%**	**17.83%**	**27.39%**	**16.49%**	**35.82%**	**39.99%**
EBITDA margin *(EBITDA / Revenue)*	**11.11%**	**21.77%**	**8.26%**	**17.11%**	**N/A**	**23.13%**	**28.85%**

Operating Profit margin *(Operating Profit / Revenue)*	**8.84%**	**19.21%**	**4.57%**	**14.84%**	**N/A**	**16.68%**	**22.82%**
Net Profit margin *(Net Profit / Revenue)*	**11.04%**	**15.07%**	**3.69%**	**10.27%**	**N/A**	**19.52%**	**11.70%**
Return on Equity *(Net Profit / Average Equity)*	**29.97%**	**41.46%**	**7.24%**	**22.07%**	**N/A**	**39.73%**	**25.76%**
Return on Capital Employed *(Net Profit / Average Capital Employed)*	**19.30%**	**28.39%**	**4.97%**	**13.03%**	**N/A**	**14.60%**	**8.42%**
Return on Assets *(Net Profit / Average Assets)*	**11.79%**	**14.80%**	**2.52%**	**8.08%**	**N/A**	**12.11%**	**7.03%**

Profitability ratios largely depend on the service mix provided during the year. In 2008 and 2009, the Guarantor enjoyed healthy profitability ratios on the back of the high levels of business activity, such as support to exploratory wells, which carry more attractive margins. However, the profitability ratios then declined in 2010 given the reduction in revenue and the fixed nature of the Guarantor's cost base. Moreover, given that offshore oil operations around the globe were at a standstill in 2010, the lower profit margins were also due to an increased element of low margin business such as bunkering.

In 2011, the Guarantor managed to generate healthier profitability ratios as it could command higher rates given that it was providing support in a more complex and risky operating environment in its main market, Libya, which was in the midst of a civil war. This highlights the importance of the Malta base as it served clients which would have otherwise been served by the Misurata base. Furthermore, Medserv Operations Limited also managed to achieve some cost savings including a 20% reduction in all employee wages and salaries for a four month period.

However, as Libya began to recover from the 8-month conflict (which ended in October 2011), Medserv Operations Limited suffered margin compression in 2012. Moreover, in 2012 the Guarantor also experienced a further decline in business activity, and hence revenues, as exploratory works in offshore Libya did not restart. The profitability ratios were further impacted by an increase in certain costs incurred in anticipation of the expected upturn in business activity.

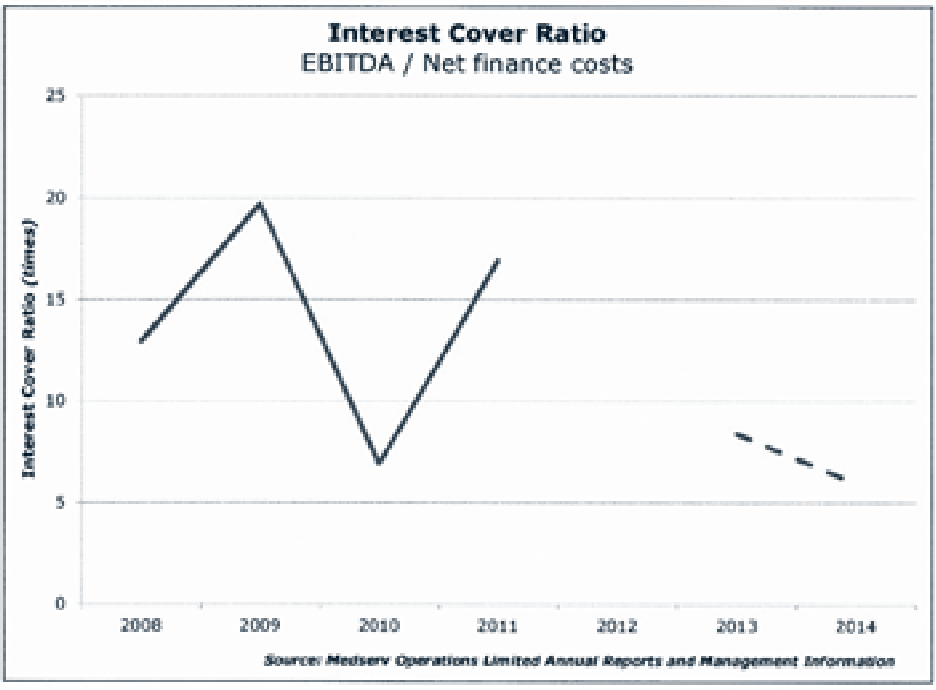
In the first half of 2013, the profitability ratios of Medserv Operations Limited improved largely due to the €1.5 million in offshore maintenance works, comprising new types of engineering operations, which accounted for 44.8% of the Guarantor's revenues and which carry attractive margins. This trend is expected to continue during the remainder of 2013 and for 2014. The forecast for 2013 and the projections for 2014 indicate an improvement in the gross profit margin to 35.8% and 40% respectively. Similarly, an improvement is also being anticipated for the other profitability ratios. This is mainly driven by an assumed significant increase in projected revenue from business activities related to exploratory and projected wells which carry a high margin. In addition, given the Group's largely fixed cost base, a substantial decrease in direct costs as a percentage of revenue is being anticipated.

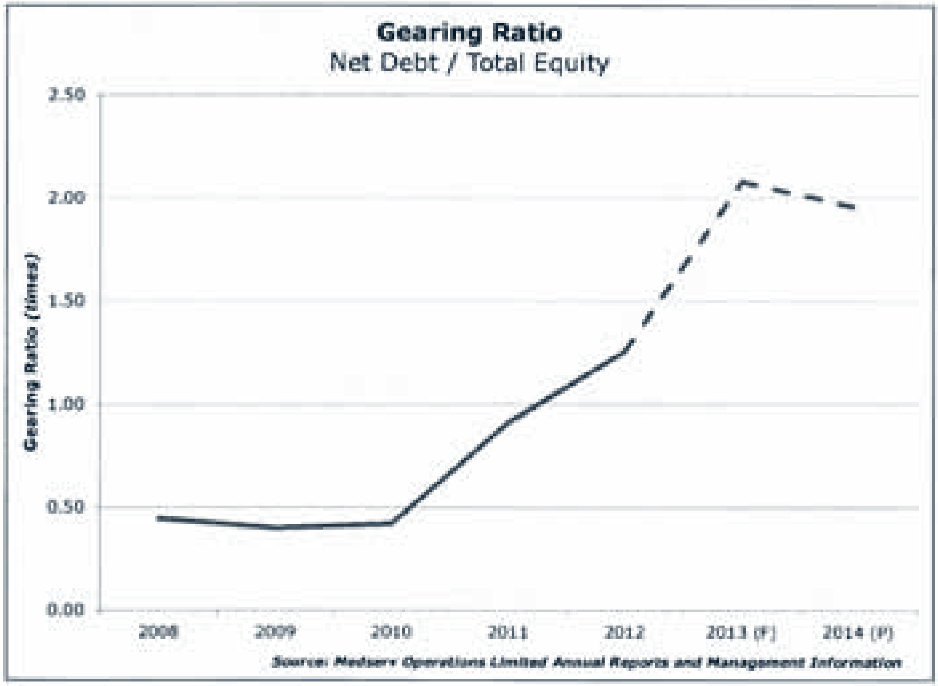
LIQUIDITY RATIOS *Measuring a company's ability to meet its short-term obligations*	*ACTUAL* 2008	*ACTUAL* 2009	*ACTUAL* 2010	*ACTUAL* 2011	*ACTUAL* 2012	*FORECAST* 2013	*PROJECTION* 2014
Current Ratio *(Current Assets / Current Liabilities)*	**0.70x**	**0.71x**	**0.60x**	**1.00x**	**0.70x**	**1.18x**	**1.14x**
Quick Ratio *(Current Assets less Inventories / Current Liabilities)*	**0.70x**	**0.71x**	**0.60x**	**1.00x**	**0.68x**	**1.18x**	**1.14x**
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	**0.01x**	**0.03x**	**0.02x**	**-**	**-**	**0.03x**	**0.08x**

Given the decline in business activity described above, the liquidity ratios of Medserv Operations Limited have deteriorated in recent years. Nonetheless, the Guarantor has always managed to honour its commitments in a timely manner.

SOLVENCY RATIOS *Measuring a company's ability to meet its debt obligations*	*ACTUAL* **2008**	*ACTUAL* **2009**	*ACTUAL* **2010**	*ACTUAL* **2011**	*ACTUAL* **2012**	*FORECAST* **2013**	*PROJECTION* **2014**
Interest Coverage ratio *(EBITDA / Net finance costs)*	12.97x	19.73x	6.96x	16.95x	N/A	8.43x	5.98x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.45x	0.40x	0.42x	0.91x	1.25x	2.08x	1.95x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	31.75%	31.31%	31.38%	47.76%	55.72%	67.74%	66.86%

Excluding 2012, the Guarantor always maintained a healthy interest coverage ratio. During the years, 2008 to 2011, Medserv Operations Limited also had a relatively low gearing ratio. The increase in financial leverage as from 2012 mainly reflects the increased level of debt which Medserv Operations Limited has drawn down or is expected to draw down in the coming years to finance its investment and support its general funding requirements in view of the envisaged pick-up in business activity.




Gearing Ratio
Net Debt / Total Equity
Gearing Ratio (times)
2.50
2.00
1.50
1.00
0.50
0.00
2008
2009
2010
2011
2012
2013 (F)
2014 (P)
Source: Medserv Operations Limited Annual Reports and Management Information

4 COMPARISON TO COMPETITORS

Management is not aware of any companies with similar size operations as those of the Group that operate within the Group's principal markets. Management confirmed that the Group's competitors mainly comprise the following:

i) IOCs that would opt to develop their own base and coordinate their own logistics and support services; and

ii) Other service providers that form part of larger groups of companies whose operations are very diversified and do not merely provide services to the oil and gas industry.

Therefore, management is not aware of any companies within their peer group for which data is readily available to set out a meaningful comparative analysis.

5 GLOSSARY

Definition of General Terms

Issuer	Medserv p.l.c., a public limited liability company registered under the laws of Malta with company registration number C28847 and with registered office situated at Malta Freeport, Port of Marsaxlokk, Birzebbugia, BBG 3011. Medserv p.l.c. is the parent company of the Group.
Guarantor	Medserv Operations Limited, a limited liability company registered under the laws of Malta with company registration number C2971 and with registered office situated at Malta Freeport, Port of Marsaxlokk, Birzebbugia, BBG3011, Malta. Medserv Operations Limited is wholly owned by Medserv p.l.c., the Issuer, and is also one of its main subsidiaries.
Group	Incorporates the Issuer and its subsidiaries including the two main operating companies, namely Medserv Operations Limited and Medserv Misurata Free Zone Company (F.Z.C.).
Guarantee	The joint and several suretyship granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Notes.
Notes	The secured and guaranteed Notes issued or to be issued in terms of the Programme.
Programme	The secured and guaranteed Note Issuance Programme being made by the Issuer pursuant to a Base Prospectus dated 12 August 2013 as supplemented.

Definition of Terms in Statement of Comprehensive Income

Revenue	The income generated by the Group from the services it provides including support to exploratory wells, rig stops, general logistics & support services, bunkering, offshore maintenance and transport & specialised services.
Cost of sales	The costs incurred in direct relation to the provision of services including supplies, freight, base yard expenses, bunkering and transportation.
Gross Profit	The difference between 'Revenue' and 'Cost of sales' which reflects the Group's ability to generate profitable sales.
Administrative expenses	Costs incurred in relation to the running of the business including wages and salaries, Directors' remuneration, professional fees and travelling expenses.
EBITDA	Earnings before interest, tax, depreciation and amortisation reflecting the Group's earnings power purely from operations.
Depreciation and amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Results from operating activities	EBITDA less depreciation and amortisation reflecting the earnings power of the company before accounting for interest costs and taxes.
Finance Income	Interest earned on cash bank balances.
Finance Costs	Interest accrued on debt obligations.
Share of profit / loss of jointly-controlled entity	The proportionate share of the Group's profit or loss generated or incurred by the jointly-controlled-entity which in the case of Medserv p.l.c. relates to Medserv Italia s.r.l.
Non-controlling interest	An adjustment to extract amounts attributable to third-party shareholders in subsidiaries.
Net Profit / Loss	The profit generated or loss incurred in one financial year.

Definition of Terms in Statement of Cash Flows

Net cash from / (used for) operating activities *[CFO]*	The cash used for or generated from the Group's business activities.

Net cash from / (used for) investing activities *[CFI]*	The cash used for or generated from investing activities including investments in new entities and acquisition or disposal of fixed assets.
Net cash from / (used for) financing activities *[CFF]*	The cash used for or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Definition of Terms in Statement of Financial Position

Assets	What the company owns. There are two types of assets: (i) Non-current assets and (ii) Current assets.
Non-Current Assets	Mainly consist of tangible assets which support the operations of the company including property, plant and equipment. Other types of non-current assets are financial in nature such as investments in jointly-controlled entities and deferred tax assets.
Current Assets	Cash or assets which can be converted into cash within one financial year including inventories, trade receivables and cash balances.
Liabilities	What the company owes. There are two types of liabilities: (i) Non-current liabilities and (ii) Current liabilities.
Non-current liabilities	Obligations due after more than one financial year including bonds and long-term bank borrowings.
Current liabilities	Obligations due within one financial year including trade payables and short-term borrowings such as bank overdrafts.
Equity	Equity is calculated as assets less liabilities and represents the accounting book value of the company.

NOTES

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