



6 July 2007

LAMPRELL PLC
("Lamprell" or the "Company")

TRADING UPDATE
US\$168 MILLION NEW CONDITIONAL CONTRACT AWARD

Lamprell (symbol: LAM), a leading provider of specialist engineering services to the international oil & gas industry based in the UAE, today announces its trading update for the six months ended 30 June 2007. The Company is also pleased to announce the award of a significant conditional contract with a third party for a new build jackup drilling rig with a value in the region of US\$168 million. The contract is subject to the third party securing adequate financing.

The announcement of Lamprell's interim results for the same period is expected to be on 27 September 2007.

Trading update

As highlighted in the AGM statement of 11th June 2007, Lamprell has experienced a strong operational performance in the first half of 2007. During this period the value of contract awards has continued to grow at an unprecedented level. The total order book at the end of June 2007 is approximately US\$513 million, a US\$126 million increase on the position at the end of Q1. The first half order book includes the conditional contract recently awarded by the third party and represents contracted revenues extending into the second quarter of 2009.

New build jackup drilling rig contract

This conditional contract is for the construction and delivery of a completely outfitted and equipped, LeTourneau designed, self-elevating Mobile Offshore Drilling Platform of a Super 116E (Enhanced) Class design ("the Unit"). The Unit consists of a triangular hull and three 477 foot truss type legs, each with an electro-mechanical rack and pinion elevating system, which will allow drilling in depths of up to 350 feet of water.

The Unit's primary operating capabilities will include accommodation for a minimum of 110 personnel, a 70 foot cantilever reach with +/- 15 feet of transverse skidding for the drill floor and a rated drilling depth of 30,000 feet.

The conditional contract is a lumpsum turnkey contract that covers all aspects of the project execution. It is expected that the Unit will be delivered in early 2009.

In addition to the award of the first Unit, Lamprell has agreed options with the customer for a further four Units to be exercised over an 18 month period from December 2007. These contracts will be subject to negotiation, allowing for flexibility to take into account any potential cost variations.

More details of this major contract award will be released to the market in due course.

Outlook

The board views the outlook for the remainder of the financial year with increasing confidence. As a function of its strong first half operational performance and recent contract awards, Lamprell anticipates that the Group's net profit for 2007 will comfortably exceed current market expectations.

Commenting on this contract award Chairman and Chief Executive Officer, Peter Whitbread, said:

"We are very pleased to report that the business environment for Lamprell remains strong and that the Company is well placed to take advantage of this current market buoyancy. The award of the new build contract for a jackup rig is a major milestone in the development of the Company, representing the culmination of many years of experience in jackup rig refurbishments. This has provided us with an extensive skills set to draw upon, thus enabling us to effectively manage the risk of taking on larger lump sum contracts."

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Notes to editors

- Lamprell, based in the UAE, has played an increasingly prominent role in the development of the offshore industry in the Arabian Gulf for over 30 years, in later years providing specialised services to the offshore oil and gas industry.
- Lamprell's two primary facilities are in Port Khalid, in the Emirate of Sharjah, and in the Jebel Ali Free Zone, in the Emirate of Dubai, both of which are in the UAE.
- The principal markets in which Lamprell operates, and the principal services it provides, are:
 - Upgrade and refurbishment of offshore jackup rigs;
 - New build construction for the offshore oil and gas sector, including Floating Production, Storage and Offloading systems and other offshore and onshore structures; and
 - Oilfield engineering services, including the upgrade and refurbishment of land rigs.
- Lamprell has grown strongly over the last three years, driven by buoyant conditions in the oil and gas industry and the increase in capacity with the opening of its facility in the Jebel Ali Free Zone in 2002.