



8 January 2008

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

**PRE-CLOSE TRADING UPDATE
FOR THE YEAR ENDED 31 DECEMBER 2007**

Lamprell (symbol: LAM), a leading provider of specialist engineering services to the international oil & gas industry based in the UAE, today announces its pre-close trading update ahead of the announcement of its audited preliminary results for the year ended 31 December 2007 which is expected to be made on 26 March 2008.

2007 PRE-CLOSE TRADING HIGHLIGHTS

- Strong performance across all key business areas
- Board anticipates 2007 net profit will be at the upper end of market expectations*
- Expected cash and bank balances as at 31 December 2007 approximately US\$150 million
- Order book as at 31 December 2007 is approximately US\$580 million (31 August 2007: US\$507 million)

* Range between US\$77.3 million and US\$82.7 million (pre exceptional charges)

Commenting on the performance Chairman and Chief Executive Officer, Peter Whitbread, said:

"Lamprell is delighted to report that performance in all key business areas has been strong throughout the year and our expansion into Engineering, Procurement and Construction ("EPC") contracts, with new build liftboat and jackup activities, is progressing well. With the recent contract awards and strong business environment for oil services, Lamprell is well positioned to achieve another year of strong growth in 2008."

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Overview

Lamprell's strong operational performance has continued in the second half of the year. This performance reflects the successful implementation of the Group's corporate strategy. Specifically, Lamprell has maintained its competitive advantage within its core business activities, whilst expanding into EPC contracts with the signing of new build liftboat projects with Seajacks International Ltd in February 2007 and new build jackup drilling rig projects with the Scorpion Group in July and December 2007. Lamprell has delivered projects throughout 2007 both on time and to a consistently high quality. In the absence of any unforeseen circumstances, the Board anticipates the Group's revenue and earnings for 2007 will be at the upper end of market expectations.

Upgrade and refurbishment of offshore jackup rigs

During the year Lamprell has executed refurbishment work on 24 jackup rigs at Lamprell's Sharjah and Hamriyah facilities. These refurbishment projects have been successfully undertaken for a number of international clients. Notably, the Nabors 660, the largest refurbishment project Lamprell has undertaken to date, is now in the commissioning phase ready for delivery to Nabors early in 2008.

New build offshore jackup rigs

The engineering and procurement phase of the LeTourneau Super 116 E design Scorpion 'Offshore Freedom' is proceeding on schedule and the hull construction is well underway at the current Hamriyah facility. As announced in December 2007, Scorpion has awarded Lamprell a second contract to construct the Scorpion 'Offshore Mischief'. This rig has an identical design to the 'Offshore Freedom' and the procurement phase of this project is significantly advanced, ready for construction to commence at the current Hamriyah facility in the second quarter of 2008.

New build construction for the offshore oil and gas sector

Lamprell's Jebel Ali facility has grown strongly in 2007 with a number of key projects being delivered during the second half of the year. Notably, the first two Kashagan barges were delivered to SBM, as were process modules to Saipem and Aker. In addition, the engineering and procurement phase for the two Seajacks harsh environment, special purpose, self propelled four legged jackup liftboats is proceeding ahead of schedule with the construction of the two hulls having commenced.

Oilfield engineering services

The upgrade and refurbishment of land rigs and associated works such as the construction of land camps and the inspection and overhaul of mechanical and rotary equipment has performed well throughout 2007 and Lamprell have worked on 9 land rig projects during the year. The signing of a Memorandum of Understanding with LeTourneau Technologies in the year has resulted in the commencement of a new build 2000 hp land rig. The drilling package will be supplied by LeTourneau and completion of the new unit is scheduled for May 2008.

Operational developments

The contract for the detailed design of Lamprell's new facility at the Hamriyah Free Zone has been awarded and is proceeding according to schedule. The marine works contract, including the dredging of the access channel and quay wall construction work, has been awarded by the Hamriyah Free Zone Authority and the selected contractor has started mobilising equipment ready to start work in early 2008. The construction of Lamprell's office and production facilities will commence in the second quarter of 2008 ready for the facility to be operational at the beginning of 2009. In addition to this new facility, new offices are under construction at the Jebel Ali facility and there continues to be an ongoing investment in construction equipment to support the growth in revenue at all the facilities.

Market overview

The oil and gas construction sector has been very buoyant throughout 2007 and is forecast to remain so through 2008 and beyond. Oil and gas exploration activities in the Middle East continue to increase and this has created an increase in demand for offshore jackup drilling units in the region. Consequently many drilling contractors have relocated jackup rigs from other regions into the Middle East and this trend is expected to continue during 2008. These additional units, as well as the existing units based in the region, will continue to provide a long term refurbishment workload for Lamprell.

The market for new build construction for the offshore oil and gas sector is also very strong, with the global capital expenditure backlog continuing to grow. This market includes Floating Production, Storage and Offloading ("FPSO") systems and fixed platform topsides which are the core focus for Lamprell's Jebel Ali operation. The FPSO sector in general offers considerable promise well into 2010 and is now being expanded to include enhanced recovery facilities and mobile storage solutions such as Floating Liquefied Natural Gas and Compressed Gas to Liquids, Mobile Offshore Production Units and re-gasification units. This high level of development and construction is reflected in our current 'proposals' pipeline and we are confident of

our future participation in the provision of fabrication services to multiple providers across the sector. As a result Lamprell expects that it will continue to expand in this business area throughout 2008 and beyond.

Outlook

As at 31 December 2007 the total order book is approximately US\$580 million and extends to the end of 2009. This order book provides a substantial foundation for our expected ongoing revenue growth and in addition there are a significant number of potential contracts that have been identified as likely prospects for award across all of our business activities. The contracted order book combined with the potential projects will allow Lamprell to maintain its momentum and growth as we move into 2008.

Ends

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.