



8 July 2008

LAMPRELL PLC

("Lamprell" or the "Company" or the "Group")

**TRADING UPDATE
FOR THE SIX MONTHS ENDED 30 JUNE 2008
AND US\$ 29 MILLION CONTRACT AWARD**

Lamprell (ticker: LAM), a leading provider of specialist engineering services to the international oil & gas industry based in the United Arab Emirates ("UAE"), today announces its trading update for the six months ended 30 June 2008. The Company expects to announce interim results for the period on 29 September 2008.

HIGHLIGHTS

- Strong performance across all key business areas;
- Two major contracts awarded with a combined value of US\$ 390.5 million, comprising a contract with Bassdrill Limited for US\$ 204.5 million and a contract with Riginvest GP for US\$ 186 million, providing further visibility on revenue; and a new US\$ 28.7 million contract award from Saipem S.p.A;
- Order book as at 30 June 2008 was approximately US\$ 890 million (30 April 2008: US\$ 550 million);
- International expansion with launch of deep water quay side facility in Sattahip, Thailand, for rig upgrade and refurbishment.

Trading Update

As highlighted in the AGM statement on 11 June 2008, Lamprell has experienced a strong operational performance across all of its key business areas in the first half of 2008 and the financial results are expected to be in line with the Board's expectations.

During this period Lamprell has completed and handed over the Nabors 660 jackup rig to Nabors Drilling and has delivered a number of Floating, Production, Storage and Offloading process modules in the first half of 2008. In addition, the construction phases of the two new build jackup rig projects for Scorpion Rigs Limited and the two new build liftboat projects for Seajacks International Limited are progressing well and are on schedule. A number of new clients were added in the first half of the year including Hercules Offshore Middle East Limited, Riginvest GP and BassDrill Limited ("Bassdrill"),

and together with the repeat business the Company receives from existing customers, the latest contracts have resulted in a record level of contract awards.

The number of rigs upgraded in the Company's facilities and consequential workload are both in line with internal projections for the first half of the financial year.

New Contract Awards

Lamprell is pleased to announce that it has been awarded a US\$ 28.7 million contract by Saipem S.p.A ("Saipem"). The contract is for the construction of two process modules with interconnecting pipe spools for the Livorno Floating Storage Regasification Unit project. The modules are scheduled to be delivered in 2010 and this award follows the successful completion of a similar project for Saipem earlier this year.

On 16 June Lamprell was delighted to announce a lump sum turnkey contract for the construction of a LeTourneau Super 116E jackup drilling rig with a value of US\$ 186 million for delivery in June 2010 and on 24 June the Group announced the largest single contract awarded to date from BassDrill with a value of US\$ 204.5 million. The BassDrill contract is for the construction of two self erecting tender assist drilling units, each vessel complete with living accommodation and a modular mast equipment package. Under the contract, construction of the first unit is confirmed with work on the second unit conditional upon BassDrill raising the finance to fund the construction of the unit. This is another lump sum turnkey contract covering all aspects of the project execution. It is expected that the first unit will be delivered in September 2009, with the second unit scheduled for delivery in 2010.

Thailand

In May 2008, the Group signed an initial 5 year lease for a 46,950m² facility with 158 meters of exclusive deep water quay side in Sattahip, Thailand. Lamprell believes this expansion provides an excellent opportunity to transfer the skills and reputation it has built over many years, through its operations in the UAE, to a region which offers a significant fleet of jackup drilling rigs owned by predominantly the same group of clients that operate in the Middle East. The Group will commence the enhancement of the facilities shortly and anticipates executing the first revenue generating project in the fourth quarter of 2008, with full operations expected to commence in 2009.

Outlook

As at 30 June 2008 the total order book was approximately US\$ 890 million and extends well into 2010. This order book underpins the Company's expected ongoing revenue growth whilst a significant number of potential contracts have been identified as likely prospects for Lamprell across all our business activities. The contracted order book, combined with the potential projects, gives the Board confidence of delivering continued growth and further shareholder value in the second half of 2008 and beyond.

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

"Lamprell has enjoyed a busy first half year and performance across all key business areas has continued to be strong. The Company has embarked on its next phase of organic growth, with the opening of a new rig upgrade facility in Thailand where we expect to deliver revenues from the fourth quarter of 2008 onwards.

In addition, we continue to focus on ways of improving our services to customers and our strategy of operational expansion into Engineering, Procurement and Construction contracts, with new build liftboat and jackup construction, is progressing well. On 23 June, we secured our largest ever contract win worth US\$ 204.5 million from BassDrill.

We are delighted with the US\$ 29 million further contract award from Saipem S.p.A., which reinforces our reputation for technical capability and confirms the benefit enjoyed from strong long term relationships.

The business is currently benefiting from an excellent trading environment and we believe that this, coupled with our high standards for quality and execution, means we are well positioned to continue delivering shareholder value."

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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 three primary facilities are in Port Khalid and Hamriyah Free Zone, in the Emirate of Sharjah, and in the Jebel Ali Free Zone, in the Emirate of Dubai, all 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;
 - Engineering, procurement and construction of jackup rigs, liftboats and drilling related equipment;
 - 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, refurbishment and new building of land rigs.