



21 January 2009

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

**TRADING UPDATE FOR THE YEAR
ENDED 31 DECEMBER 2008**

Lamprell (ticker: LAM), a leading provider of specialist engineering services to the international oil & gas industry, today announces its trading update for the year ended 31 December 2008. The Company will announce its audited preliminary results on 30 March 2009.

Trading Update

Lamprell undertakes a diverse range of activities for a broad range of customers and all its operating markets and facilities have remained active during the year. As a result, and in the absence of any unforeseen circumstances, the Board expects to deliver a strong financial performance for the year and anticipates reporting net profit for 2008 in line with market expectations.

Rig refurbishment performed strongly in 2008 with higher levels of activity than expected in the second half of the year. The Board believes the near term prospects for this business area, historically Lamprell's core expertise, are buoyant as customers continue to maintain and upgrade their existing rig fleets.

Floating Production, Storage and Offloading related activities were significant in the first half although, as expected, there was a slow down in the second half of the year due to a general reduction of capex budgets and the weakening oil price. Notwithstanding this fact, the Board remains confident in the long term viability of the offshore construction market.

Activities relating to land rigs have continued at a consistent level and progress on the four new build API 2000 HP fast moving land rigs continues on schedule.

As announced previously, Lamprell has been in active dialogue with its Engineering, Procurement and Construction ("EPC") customers to understand their financial position and mitigate the potential risk of bad debts or funding issues. As announced on 14 January 2009, Scorpion Offshore Ltd ("Scorpion") has confirmed that it has secured financing for its remaining construction payments on the jackup rig, the Offshore Freedom, which is on schedule to be completed within budget and delivered to Scorpion in April 2009. Activity on the jackup rig, the Offshore Mischief, remains on track and Lamprell continues to work with Scorpion to ensure that appropriate financing is in place to complete this project.

In addition, the Company has been in discussion with Riginvest G.P. ("Riginvest") regarding financing of the LeTourneau Super 116E jackup drilling rig project. Riginvest has confirmed that it is working on a number of options and continues to express confidence in its ability to obtain financing to fulfil its remaining construction payments to Lamprell.

Further EPC contracts with Seajacks International Limited and Bassdrill Limited are on schedule with delivery of the Seajacks Kraken expected in February 2009.

At 31 December 2008, the Company's order book was approximately US\$ 612 million comprising largely EPC contracted projects and extends to mid 2010. Cash and bank balances at the year end are approximately US\$ 86 million. Lamprell continues to operate debt free.

Operational Developments

The construction of the new facility at Hamriyah is progressing well. The quay wall is nearing completion and work continues on the offices and work shops. As a result of the recent market turmoil, the phasing of investment in this new facility has been reviewed and, where it has been considered that capital expenditure can be deferred without impacting the operational capability of the facility, the expenditure has been delayed. Notwithstanding this, the new facility remains on target to be operational at the end of the first quarter this year.

The Company signed an initial 5 year lease for a 46,950m² facility with 158 meters of exclusive deep water quay side in Sattahip, Thailand in May 2008. Lamprell continued enhancing the facilities throughout the second half of the year and is delighted to report that the facility is now ready to commence revenue generating projects. The first client rig has been at the quay side en route to a new project location, as anticipated, at the end of 2008. In addition, the Board of Investment privileges for the new Thailand operations, were granted on 4 December 2008 providing amongst other benefits, certain corporate tax and import duty exemptions.

Board Committees Appointment

Brian Fredrick joined the Board with effect from 1 January 2009 and at a Board meeting held on 19 January 2009, he was appointed with immediate effect to the remuneration, audit and nomination committees of Lamprell.

Outlook

Lamprell's reputation for quality, technical capability and long term relationships has never been more important both in continuing to deliver results, and in growing the business successfully over the long term. The proposals activity remains strong and the Company is focused on converting these opportunities into contracts.

During this current period of challenging market conditions Lamprell continues to remain active but also extremely vigilant. Whilst the financial results for the year reflect a strong performance by the Company across most business activities, it is possible that new build orders for drilling jack up rigs may slow, as clients reduce their capital expenditure plans and focus on existing assets. However the Company see a significant increase in

interest in the use of jack up liftboats for alternative energy usage, particularly related to the development of offshore wind farms.

The Board believes it is well placed to capitalise on the rig refurbishment opportunities that are being presented to the Company with the increasing rig count in the Middle East region and although they are cautious in the short term market for new build construction, the Board is confident of the Company's long term prospects.

Commenting on today's statement, Peter Whitbread, CEO of Lamprell commented:

"Operationally, Lamprell has had a highly successful year. Highlights in 2008 include moving our listing to the Main Market of the London Stock Exchange, continuing our planned expansion of our Hamriyah site and opening our new facility in Thailand. In addition, we have won several sizeable contracts this year, for both existing and new clients, notably for rig refurbishment.

Whilst it is sensible to recognise the challenging market conditions the wider service sector is currently encountering, and put in place appropriate measures to limit their impact on our business in the short term, the Board believes that the Company is well-placed to withstand this period of economic uncertainty and remains confident of Lamprell's long term prospects.

We welcome Brian Fredrick to the Board and look forward to his contribution to the Board committees he has now joined. "

- Ends -

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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 the 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.