



30 November 2009

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

Update on BassDrill Alpha

Lamprell (ticker: LAM), a leading provider of specialist engineering services to the international oil & gas industry, provides an update on payments relating to the tender barge BassDrill Alpha which it is currently building for BassDrill Alpha Limited ("BassDrill").

In its interim management statement on 19 November 2009, Lamprell announced that it had agreed to receive a reduced delivery payment of US\$ 60 million (the "Final Payment") from BassDrill relating to the work it had done on the tender barge BassDrill Alpha, which is due to be delivered to BassDrill in December 2009.

Lamprell and BassDrill have now agreed that in satisfaction of the Final Payment a combination of cash totalling US\$ 55 million and 28,000,000 shares in Bassdrill (the "BassDrill Shares") representing 20% of the equity of BassDrill, equivalent at the subscription price of US\$ 0.1786 to US\$ 5 million. Lamprell has entered an Option Agreement granting Lamprell the option to sell the BassDrill Shares after 12 months at an option price of US\$ 0.0893 plus three month LIBOR + 3% per annum and granting certain shareholders of BassDrill the option to buy the BassDrill Shares held by Lamprell in the period starting from the date of issuance and ending after 24 months at an option price of US\$ 0.1786 plus three month LIBOR + 3% per annum. Payment of the cash is due on delivery of the unit. The effect of this transaction will result in a write off in the region of US\$ 23 million in 2009 and a possible further write off, in 2010, of not more than US\$ 2.5 million, should Lamprell exercise the option.

Nigel McCue, Chief Executive, commented: "We are pleased to have come to a final agreement on the payment process with BassDrill and to have ended the uncertainty around the conclusion of the work on the BassDrill Alpha."

- 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.