

Jackup rig Delivered and Settlement Reached

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LAMPRELL PLC

("Lamprell" or "Company" and with its subsidiaries the "Group")

Jackup rig Successfully Delivered and Settlement Agreement Reached

Lamprell (ticker: LAM), a leading provider of fabrication, engineering and contracting services to the energy industry, announces that it has successfully delivered the "Ensco 140" LeTourneau-designed, Super 116E (Enhanced) Class mobile offshore drilling unit to Ensco. On 26 July 2016, Lamprell disclosed a delay in the rig's delivery and the resultant potential exposure to remedial costs and liquidated damages. Today, the Company announces that it has signed an agreement with the client to settle all claims arising from the late delivery of the rig.

The settlement agreement comprises a deduction of US\$25 million from the final milestone payment in respect of late delivery. As part of the settlement, Lamprell will also provide additional services for the "Ensco 140 and 141" rigs, including temporary storage and grant an extended warranty for the jacking equipment supplied by the original equipment manufacturer, Cameron LeTourneau ("Cameron").

As a result of the settlement agreement, Lamprell's expected 2016 revenue will be reduced by US\$25 million and the Company anticipates a reduction of around US\$35 million on its expected 2016 profit. Further guidance for financial performance will be provided at the time of the announcement of the Group's interim results on 22 September 2016.

Lamprell retains a positive net cash position and a healthy balance sheet which will be strengthened as the Group completes and delivers the six ongoing rig projects over the coming eight months.

Lamprell is committed to delivering projects safely, on time, on budget and to high quality standards. The late delivery of the "Ensco 140" rig was caused by failures in the jacking equipment that Cameron supplied. Lamprell has successfully implemented a solution for this issue on the "Ensco 140" rig and the Group expects to deliver the other six projects as planned. Lamprell's Board is fully committed to recovering the remedial costs arising from the technical defects in the jacking equipment from Cameron as well as seeking compensation from Cameron.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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