

# **Remedial Cyprus Public Company Limited**

## **1<sup>st</sup> Quarter 2007 Report**

On 14<sup>th</sup> May, 2007, the Company's Board of Directors approved the unaudited first quarter 2007 consolidated accounts.

### **Company background**

The principal activities of the Company are to build and operate purpose-built Elevating Support Vessels ("ESVs"). The ESVs are designed to facilitate well intervention activities and provide work-over services to the offshore oil and gas industry. The use of the Company's ESVs allows customers to enhance hydrocarbon production from mature wells and fields. The size and robust design of the ESV should allow customers to achieve an increased operating efficiency by working from a custom designed facility and to benefit from higher utilisation levels due to reduced sensitivity to weather conditions.

During the fourth quarter of 2006 the Company successfully raised equity of \$115 million from financial and industrial investors. Following the successful share offering, the Company was able to fulfil conditions to a shipbuilding contract for the construction of its first ESV

The Company's shares are traded on the OTC list of the Norwegian Securities Dealers Association.

### **1<sup>st</sup> Quarter 2007 and subsequent events**

The Company has committed to a second ship building contract and has secured the owner furnished equipment to facilitate a second ESV.

The Company issued \$210 million of bonds, which in conjunction with the equity previously raised, fully finances the construction cost of the first two ESVs and the operations of the Company through to the estimated date of commencement of the receipt of revenues from anticipated initial contracts.

The Company has progressed with its discussions with certain major oil and gas operators to market the vessel with a view to securing the first contract for the vessels under construction. The Company has identified a number of opportunities to obtain long term contracts for the ESVs in Latin America and the Far East and is in the process of preparing a tender for a potential three year charter contract for two vessels. The tender requires that the vessel charters commence operations during the third and fourth quarters of 2008. It is anticipated that the outcome of the tender will be known during the third quarter of 2007.

Following the positive feedback from potential clients wishing to utilise the Company's ESVs, the Company anticipates placing further orders for constructing additional ESVs

during 2007 and has commenced the process of securing long lead Owner Furnished Equipment.

### Financial Information

The operating result for the first quarter 2007 was a loss \$ 0.5m (Q1 06, nil).

At 31 March 2007 the Company has cash and investments of \$ 267m (31 Dec 06, \$ 85.7m), and assets under construction of \$ 43.5m (31 Dec 06, \$ 20.5m).

At 31 March 2007, the Company has a total equity of \$ 104.5m (31 Dec 06, \$ 105m) and long term borrowings of \$ 204.8m (31 Dec 06, nil).

## Remedial Cyprus Public Company Limited

### Consolidated Income Statement

	Q1 2007 \$ 000's	Q1 2006 \$ 000's
<b>INCOME</b>		
Dividend & interest income	909	-
<b>Total Income</b>	<u>909</u>	<u>-</u>
<b>EXPENSES</b>		
Change in fair value of derivative financial instruments	403	-
Other expenses	898	-
<b>Total Expenses</b>	<u>1,301</u>	<u>-</u>
<b>Loss Before Income Tax</b>	(392)	-
Income tax	(136)	-
<b>Net Loss For The Period</b>	<u>(528)</u>	<u>-</u>
<b>Loss per share</b>	<u>(0.09)</u>	<u>-</u>
<b>Fully diluted loss per share</b>	<u>(0.08)</u>	<u>-</u>

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## Consolidated Balance Sheet

	<b>31.03.2007</b>	<b>31.12.2006</b>
	<b>\$ 000's</b>	<b>\$ 000's</b>
<b>ASSETS</b>		
Cash at bank and short term investment in securities	267,065	85,696
Intangible assets	2,259	2,250
Plant and equipment	313	238
Construction in progress	43,510	20,549
Other assets	444	31
<b>Total assets</b>	<b>313,591</b>	<b>108,764</b>
<b>LIABILITIES</b>		
Bank overdraft	43	47
Income tax liability	203	67
Derivative financial instruments	3,553	3150
Accrued expenses and other liabilities	539	469
Bond Debt	204,750	-
<b>Total liabilities</b>	<b>209,088</b>	<b>3,733</b>
<b>EQUITY</b>		
Share capital	60	60
Share premium	108,894	108,894
Accumulated deficit	(4,451)	(3,923)
<b>Total equity</b>	<b>104,503</b>	<b>105,031</b>
<b>Total liabilities and equity</b>	<b>313,591</b>	<b>108,764</b>

For further information, please contact:

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