



PRESS RELEASE

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Update on discussions with bondholders, resignation of CEO and new member of the Board

3 February 2010 – Remedial (Cyprus) PCL (“Remedial”)

Update on discussions with bondholders and creditors

Reference is made to previous announcements regarding the financial situation of Remedial and discussions with the financial advisor (AMA Capital Partners LLC) and a legal adviser (Bingham McCutchen (London) LLP) (the “Advisors”) appointed by Norsk Tillitsmann ASA (“NTM”) to perform due diligence of Remedial and give advice to NTM and the Bondholders in the \$210 million FRN Remedial (Cyprus) Public Company Limited Secured Callable Bond Issue 2007/1012. ISIN NO 001 036034.0.

On 12 November 2009, the board of directors of Remedial received an updated proposal for the restructuring of Remedial (the “Restructuring Proposal”). The Advisors indicated that the Restructuring Proposal had the support of a committee of approximately 50 % of the outstanding bonds (the “Committee”).

The keys terms of the Restructuring Proposal are a debt for equity swap where all of the indebtedness under the Bond other than US\$56.5 million is exchanged on a pro rata basis for new shares representing 95% of Remedial’s post-restructuring share capital, with 5% of the share capital being retained by the current shareholders. The residual US\$56.5 million of indebtedness under the Bond will be made available by way of a loan to Remedial for general working capital purposes, restructuring costs and shipyard payments to procure delivery of the Vessels. The proposal allows for an additional debt facility of US \$20 million to be secured against the ESV vessels ranking on an equal basis to the remaining Loan and also provides for security to the Shipyard’s constructing the Company’s vessels with respect to agreed deferred payments by way of notes secured by a first ranking mortgage over the respective vessels. Under the Restructuring Proposal, Remedial will have the option to carry out a rights issue of shares for an aggregate gross subscription price of US\$20 million at a pre-money equity valuation of US \$161.3 million for which the current (pre restructuring) shareholders shall be entitled to subscribe for the new rights issue shares, and also to issue share options as part of an incentive package for the management.

The Extraordinary General Meeting in Remedial held on 14 December 2009 resolved the necessary resolutions to implement the Restructuring Proposal. The Board of Directors was authorised by the Extraordinary General Meeting to issue the new ordinary listed shares on or before 14 February 2010.

The Advisors have informed Remedial that the Committee would not support the Restructuring Proposal (since it would otherwise no longer be commercially viable) unless agreement is reached on the compromise of two unsecured claims from Swedbank AB (publ) (“Swedbank”) and SEB Enskilda AB (“SEB”) for no more than US\$1.5 million.

The claim by Swedbank is of approximately US\$7.2 million as a result of termination of three interest rate swap confirmations following a missed payment which was due on 28 September 2009. The claim from SEB is of up to US\$2.6 million under an engagement letter, pursuant to which SEB was engaged by Remedial to provide financial advice on a restructuring of Remedial's capital structure. Remedial has had discussions with Swedbank and SEB, but has not yet reached an agreement for the compromise of their claims in accordance with the terms supported by the Committee. The settlement amount, if accepted, would be paid with funds currently secured in favour of Bondholders, and is estimated to exceed what Swedbank and SEB would receive in respect of their claims, which are unsecured, if the Restructuring Proposal is not implemented, and the Company's affairs are wound down

Remedial has decided to request NTM to summon a bondholders' meeting to approve the proposed terms of the Restructuring Proposal. The approval of the Restructuring Proposal will be conditional upon execution of agreements for the settlement of the Swedbank and SEB claims, for an aggregate amount of no more than US\$1.5million (up to US\$1.25 million to Swedbank and up to US\$0.25 million to SEB). In the event that such a settlement is not achieved on or before the date of the Bondholders' meeting, Remedial will be unable to implement the Restructuring Proposal will have no further funds available, and does not expect that Bondholders will provide further funding to it as a going concern. In such circumstances, the board of Remedial expects to make arrangements for an organised wind-down of Remedial's affairs and a realisation of its assets in a manner that seeks to maximise recoveries and value for its creditors. Remedial will propose that the bondholders' meeting resolves to issue loans for the funding of expenses related to such wind-down and liquidation proceedings.

Further details will be set out in a summons to the bondholders' meeting which is expected to be held on or before 12 February 2010.

Resignation of CEO

Svein Eggen has acted as interim CEO for Remedial since April 2009. Svein Eggen resigned from this interim CEO position with effect from 1 February 2010. Due to its uncertain financial situation, Remedial expects that it will take some time for a new CEO to be appointed.

New member of the Board

The Extraordinary General Meeting held on 14 December 2009 authorized the Board of Directors to appoint an additional member of the board within 31 January 2010. On 29 January 2010, the Board of Directors resolved to appoint Bradley Eric Scher as an additional member of the Board.

Founded in 2006, Remedial (Cyprus) PCL is based in Limassol, Cyprus. The Company builds Elevating Support Vessel (ESV™) well intervention and construction support units and will operate these vessels for petroleum operating companies and others worldwide through its wholly owned subsidiary Remedial Offshore Limited. Shares in the Company are quoted on the Oslo Axess exchange under the ticker symbol ROFF.



For more information, visit www.remédialoffshore.com

This information is subject of the disclosure requirements acc. to §5-12 vphl (Norwegian Securities Trading Act)

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