



## **PRESS RELEASE**

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## **Financing Status and Request for a Bondholders Meeting**

18 September 2009 – Reference is made to the Remedial (Cyprus) PCL earnings release for the second quarter of 2009 dated 12 August 2009 and the stock exchange notice of 27 July 2009. As announced, Remedial has considered options to improve its free cash position. Delays in construction schedules for ESV 1 and 2 and the sales of owner furnished equipment purchased for a third vessel mean Remedial's free cash position will reach a critically low level by the end of September 2009.

Remedial has been advised by its financial advisor, SEB Enskilda AS, that further borrowing is likely to require significant concessions from bondholders and that new equity would, in addition to such concessions, require a significant discount to current valuation. Therefore, Remedial believes it is in all stakeholders' interest that an arrangement is agreed which permits scheduled delivery of ESV 1 and ESV 2 to take place from the shipyards, and allows continued marketing of the vessels.

The Remedial ESV "Solution" ("**ESV 2**") under construction at Cosco Shipyard is near completion and is expected to be delivered during the fourth quarter of 2009. In an amendment to the Cosco contract, Cosco has agreed to a firm delivery date of 20 November 2009, a firm contract price, and has also agreed that Remedial may defer payment of USD 7 million of the contract price for 12 months, following delivery, subject to adequate security being provided. In the event that ESV2 is not required for client work immediately after delivery, Cosco has agreed to free lay-up for a period of three months following delivery.

The Remedial ESV "Guardian" ("**ESV 1**") under construction at Yantai Raffles Shipyard was approximately 74 percent complete at 30 June 2009. Yantai has recently provided a revised schedule which forecasts ESV1 to be delivered during the first quarter of 2010. Yantai has agreed in principle that Remedial may defer payment of USD 7 million of the contract price for 12 months, following delivery, subject to adequate security being provided. Yantai has also agreed in principle to allow Remedial to lay up both vessels, free of charge, for a period of six months following delivery if required. The agreement in principle is subject to entering into a definitive amendment agreement to the Yantai contract.

The Board of Directors of Remedial has requested Norsk Tillitsmann ASA as loan trustee to summon for Bondholders meeting in FRN Remedial (Cyprus) Public Company Limited Secured Callable Bond Issue 2007/2012.

With the agreed financing from the shipyards, Remedial will request that the Bondholders agree to (i) postponement of Interest Payments according to the Loan Agreement, beginning with the Interest Payment due 28 September 2009; and (ii) a staggered release of the amount deposited on the Escrow Account. In consideration and as a condition for the proposed deferral of interest payment and release of the amount on the Escrow Account, Remedial offers to pay an additional amount by way of a premium equal to 5 percent of the principal amount of the Loan at Maturity Date.

The proposed arrangement shall secure delivery of the vessels and will cover the Company's estimated capital requirement until June 2010. Remedial expects that the value of its vessels will increase significantly upon delivery and that a potential client contract will improve the company's financing options.

Founded in 2006, Remedial (Cyprus) PCL is based in Limassol, Cyprus. The Company builds



Elevating Support Vessel (ESV(TM)) well intervention units for petroleum operating companies worldwide and will operate these vessels 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.remedialoffshore.com](http://www.remedialoffshore.com).

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

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