PRESS RELEASE

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Remedial Releases 4th Quarter 2008 Results

12 February 2009 – The Board of Directors of Remedial (Cyprus) Public Company Limited today approved the unaudited consolidated accounts for the 12 months ended 31 December 2008. See the "Financial Information" section in this release for details.

Market Update

The Company continues to market its unique Elevating Support Vessels (ESV™ units) to major oil and gas operators with a view to securing long-term charter contracts.

During Q3 2008 the Company announced it had been awarded its first contract by Chevron to provide one of its Elevating Support Vessels for operations in the Gulf of Thailand. The contract has an initial 24-month term and gives Chevron the option for a 1-year extension. The Contract is due to commence in the window of 31 March to 31 May 2009. However, the Company has been requested by Chevron to delay commencement of the Contract. Chevron has the right to cancel the Contract with 30 days' notice without penalty. Chevron and Remedial are in discussion to agree an appropriate amendment to the Contract.

The Company continues its active pursuit of business opportunities in the Far East, Middle East and South America. The Company is in discussions with a number of potential clients and expects to commence negotiations with at least one of these clients during the month of March.

Vessel Construction Update

Latest photos of the construction build status can be seen at www.remedialoffshore.com.

COSCO: The ESV™ vessel under construction at COSCO (Nantong) Shipyards was approximately 95% complete at 31 December 2008, with the main remaining activities being systems and equipment commissioning and installation of the upper leg sections and thrusters. COSCO's current target is to deliver the vessel by late Q1 2009 but this will depend on resource availability and there is a risk the delivery could slip to April. Remedial have significantly increased the number of its personnel at the shipyard to provide as much support as possible to the commissioning process. The vessel will be named *Remedial ESV Solutions*.

Yantai: The ESV™ vessel under construction at Yantai Raffles Shipyard (YRS) was approximately 75% complete at 31 December 2008. YRS have set all the major equipment inside and have closed the vessel's hull. YRS have advised a revised forecast delivery date in late Q2 2009 although progress to-date suggests there is risk of further slippage until Q3 2009. The vessel will be named *Remedial ESV Guardian*.

ESV 3: Remedial had committed to procuring long-lead materials and equipment for a potential third vessel. The key commitments involved leg material, thrusters, cranes and engines. Given the current state of financial markets, no further procurement commitments are being made for a third vessel. Some of this equipment has already been delivered. Remedial are receiving enquiries regarding possible sale(s) of this equipment and will sell this equipment provided acceptably priced offers are received.

Owner-Furnished Equipment: By the end of the quarter, all the Owner-Furnished Equipment (OFE) for the first two vessels had been delivered to the shipyards in accordance with the shipyard construction programs. Construction of the two lift-off workover rigs is well under way; all key components have been procured, the fabrication subcontracts are close to completion, and functional testing for the first rig will take place in February.

Expenditures

Results for Q4 2008 include $ 4.8m of cost in respect to the sale and write-off of OFE previously acquired for the potential 3rd vessel (ESV 3). During the quarter, the Company sold OFE amounting to $ 2.5m at cost and wrote-off $ 2.3m to adjust the carrying value of ESV 3 OFE to reflect its estimated realisable market value as of 31 December, 2008. The Q4 results also include a credit of $ 2.0m arising from reversal of the Fair Valuation of the Founder Warrants following the expiry of their exercise period.

Financing

At the end of Q4 2008, Remedial held $ 91.6m of funds in escrow to cover future expenditure commitments for constructing and financing the first two vessels. Remedial also held $ 21.4m of free cash to cover future operating costs and commitments to long-lead equipment and materials for the potential third vessel. This cash balance, combined with the possibility to sell OFE, allows the Company to forecast an adequate cash position until the final quarter of the 2009 financial year.

During Q4 2008, the Company entered into a forward contract to fix the floating 3-Month USD LIBOR interest rate on $ 210m bond at 2.05% for 2009. In addition to the floating rate, the Bond carries a margin of 5.25% resulting in an interest rate of 7.3% per annum for 2009.

Company Background

The Company's principal activities are to own and operate purpose-built Elevating Support Vessels (ESV™ units), an innovative new class of self-propelled jack-up rig/vessel hybrids. Each ESV unit is designed to facilitate offshore well intervention activities and workover services for the oil and gas industry. The Company's proprietary ESV technology allows customers to enhance hydrocarbon production from mature wells and fields. Vessel size and robust ESV design increase operating efficiency by providing a stable, efficient work environment. Well intervention and facility work benefit from higher utilisation levels (due to reduced sensitivity to weather conditions), resulting in a lower per-well cost of intervention.

Founded in 2006, Remedial Offshore (Remedial Cyprus PCL) is based in Limassol, Cyprus, and employs engineering & procurement personnel in Houston, as well as operations personnel in the Bahamas and Thailand. Shares in Remedial Offshore are traded on the Oslo Axess exchange under the ticker code "ROFF".

For more information, visit www.remedialoffshore.com

Financial Information

Remedial (Cyprus) Public Company Limited

Condensed Consolidated Income Statement (not audited)

(Expressed in United States dollars in thousands, except EPS figures)

	Q4 2008	*Q4 2007*	*12 Months 2008*	*12 Months 2007*
Revenue	2,450	-	8,747	-
Cost of Sales	(5,096)	-	(15,637)	(750)
Gross Profit	(2,646)	-	(6,890)	(750)
Administrative Expenses	(1,166)	(1,163)	(5,921)	(4,488)
Other gains / (losses)	1,984	(213)	4,080	(930)
Operating Loss	(1,828)	(1,376)	(8,731)	(6,168)
Finance income	78	314	428	2,415
Loss Before Income Tax	(1,750)	(1,062)	(8,303)	(3,753)
Income tax	(19)	(51)	(72)	(376)
Net Loss for the Period	(1,769)	(1,113)	(8,375)	(4,129)
Loss per share in $ (basic and diluted)	(0.06)	(0.09)	(0.32)	(0.69)

The notes on pages 8 to 12 form an integral part of this condensed consolidated interim financial information

Remedial (Cyprus) Public Company Limited

Condensed Consolidated Balance Sheet (not audited)

(Expressed in United States dollars in thousands)

	31 Dec. 2008	*31 Dec. 2007*
Assets		
Non-current assets		
Plant and equipment	701	452
Construction in progress	211,674	112,346
Intangible assets	3,694	2,200
Derivative financial instruments	3,195	4,583
	219,264	119,581
Current assets		
Trade and other receivables	822	1,641
Inventory	3,232	-
Cash and cash equivalents	113,059	208,489
	117,113	210,130
Total assets	336,377	329,711
Equity		
Capital and reserves attributable to equity holders		
Ordinary shares	74	60
Share premium	136,300	108,894
Other reserves	1,623	1,120
Accumulated deficit	(16,427)	(8,052)
Total equity	121,570	102,022
Liabilities		
Non-current liabilities		
Borrowings	209,281	209,086
Deferred tax liability	51	-
	209,332	209,086
Current liabilities		
Trade and other payables	4,123	13,620
Current income tax liabilities	1,352	903
Derivative financial instruments	-	4,080
	5,475	18,603
Total liabilities	214,807	227,689
Total liabilities and equity	336,377	329,711

The notes on pages 8 to 12 form an integral part of this condensed consolidated interim financial information

Remedial (Cyprus) Public Company Limited

Condensed Consolidated Statement of Changes in Equity (not audited)

For the Year Ended 31 December 2008

(Expressed in United States dollars in thousands)

	Share Capital	*Share Premium**	*Retained Earnings*	*Other Reserves*	*Total*
Balance at 1 January 2007	60	108,894	(3,923)	-	105,031
Net loss for the period	-	-	(4,129)	-	(4,129)
Total recognised expense to Q4 2007	-	-	(4,129)	-	(4,129)
Employee share option scheme:					
- value of employees' services	-	-	-	1,120	1,120
Balance as of 31 Dec 2007	60	108,894	(8,052)	1,120	102,022
Balance as of 1 January 2008	60	108,894	(8,052)	1,120	102,022
Net loss for the period	-	-	(8,374)	-	(8,374)
Total recognised expense to Q4 2008	-	-	(8,374)	-	(8,374)
Share issue on exercise of Founder Warrants	-	245	-	-	245
Share issue at IPO	14	28,493	-	-	28,507
Investment Bank Fees	-	(1,332)	-	-	(1,332)
Employee share option scheme:					
- value of employees' services	-	-	-	583	583
Mark to Market Interest Swap				(80)	(80)
Movements in the period to Dec 2008	14	27,406	-	503	27,923
Balance as of 31 Dec 2008	74	136,300	(16,426)	1,623	121,571

The notes on pages 8 to 12 form an integral part of this condensed consolidated interim financial information

* *The share premium is not available for distribution in the form of dividends.*

Remedial (Cyprus) Public Company Limited

Condensed Consolidated Cash Flow Statement (not audited)

For the Year Ended 31 December 2008

(Expressed in United States dollars in thousands)

	12 Months 2008	*12 Months 2007*
Cash flows from operating activities		
Net loss before income tax	(8,303)	(3,753)
Adjustments for:		
Depreciation	133	92
Amortisation	204	129
Share options – value of employees' services	757	1,120
Change in fair value of founders warrants	(4,080)	930
Finance income	(428)	(2,415)
Operating loss before changes in operating assets and liabilities	(11,717)	(3,897)
Increase/Decrease of:		
Trade and other receivables	513	(708)
Inventory	(3,232)	-
Trade and other liabilities	1,171	16
Net cash used in operating activities	(13,264)	(4,589)
Interest paid	(19)	-
Income tax paid	(8)	(275)
Net cash used in operating activities	(13,291)	(4,864)
Cash flows from investing activities		
Purchase of plant and equipment	(427)	(306)
Payments for construction in progress	(104,100)	(68,614)
Proceeds of sale of construction in progress	8,301	-
Loss on disposal of construction in progress	2,716	-
Interest received credited to construction in progress	4,021	6,558
Purchase of intangible assets	(1,653)	(79)
Proceeds on redemption of investments in securities	-	85,681
Interest received	519	989
Dividends received	-	1,334
Net cash (used in)/from investing activities	(90,623)	25,563
Cash flows from financing activities		
Interest paid capitalised to construction in progress	(18,770)	(16,928)
Proceeds from share issues	27,254	-
Proceeds from bond issue	-	204,750
Net cash from financing activities	8,484	187,822
Net (decrease)/increase in cash, cash equivalents & bank overdrafts	(95,430)	208,521
Cash, cash equivalents and bank overdrafts as of beginning of period	208,489	(32)
Cash, cash equivalents and bank overdrafts as of end of period	113,059	208,489

The notes on pages 8 to 12 form an integral part of this condensed consolidated interim financial information

Notes to the Condensed Interim Financial Information

General information

Remedial (Cyprus) Public Company Limited (the Company) is incorporated under the laws of the Republic of Cyprus, as a limited liability public company. The Company was incorporated on 17 March 2005 under the name of Brufani Shipmanagement Limited, and changed its name to Remedial (Cyprus) Limited on 5 October 2006 and later to Remedial (Cyprus) Public Company Limited on 26 February 2007. The registered office of the Company is located at 284 Arch Makariou III, Fortuna Court, Block B, 3rd Floor, Office 32, 3105 Limassol, Cyprus.

The Company's shares are traded on Oslo Axess under the ticker code "ROFF".

The Group's operations do not have any seasonality or cyclicality effects.

This condensed consolidated interim financial information was authorised for issue by the Company's Board of Directors on 12 February 2009.

This condensed consolidated interim financial information has not been audited.

Basis of preparation

This condensed consolidated interim financial information for the year ended 31 December 2008 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim financial reporting (IAS 34). The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRSs as adopted by the European Union.

Accounting policies

The accounting policies and methods of computation applied are consistent with those of the annual financial statements for the year ended 31 December 2007 as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008, but are not currently relevant for the group:

- IFRIC 11, 'IFRS2 – Group and treasury share transactions'
- IFRIC 12, 'Service concession arrangements'
- IFRIC 14, 'IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction'

The functional currency of the group is the US dollar.

The Going Concern Assumption

The financial statements have been prepared on a going concern basis.

Liquidity position

The Group is in the early stages of development. Through the use of $ 80 million of the initial equity placement and the $ 210 million bond issue, the Company has raised sufficient funds to pay the forecast construction cost of the first two ESV™ vessels through to anticipated delivery. Management monitors on a monthly basis the development of the actual and forecast delivery cost to ensure the funds allocated remain sufficient to finance the two ESV vessels through to anticipated delivery.

Liquidity position (continued)

After allowing for the financing of the first two ESV™ vessels, the balance of the initial equity proceeds supplemented by the proceeds of the IPO equity raise completed in Q2 2008 have been retained to finance overhead costs, working capital needs and expenditure on long lead items associated with the construction of a potential third ESV vessel.

At 31 December 2008, the Company had cash and cash equivalents of $ 113m (31 Dec 2007, $ 209m) of which $ 21m (31 Dec 2007, $ 28m) related to cash available for general corporate purposes.

The $ 210 million bond is repayable in March 2012.

Construction in progress

The Company has entered into agreements for the construction of two ESV™ vessels. The Company purchases the key equipment for the ESV vessels and supplies the equipment (Owner-Furnished Equipment – OFE) to the respective shipyards for installation into the ESV vessels. The Company has purchased all of the OFE for the first two ESV vessels and has signed construction contracts with Yantai Raffles Shipyard Limited for ESV vessel 1 and with COSCO Nantong for ESV vessel 2. Under the OFE and shipyard contracts the Company is obligated to make interim payments on the achievement of progress or physical milestones. The payments made against these milestones are recorded as Construction in Progress. During the year ending 31 December 2008, the Company supplied some materials acquired for the construction of ESV vessel 3 to the shipyard constructing ESV vessel 1 and the Company has received a credit against the lump sum shipyard construction contract to reflect the cost of supply of these materials. Transfer of these assets was recorded as an asset disposal during Q2 2008.

The Company has committed to the procurement of long-lead materials and OFE to facilitate a third vessel when justified by client demand and when appropriate financial market conditions exist. Payments made in respect to third ESV vessel 3 have been recorded as Construction in Progress. During the fourth quarter, the Company sold OFE amounting to $ 2.5m at cost and wrote off a further $ 2.3m to adjust the carrying value of the ESV 3 OFE to reflect the estimated realisable market value as of December 31, 2008.

Construction in progress (continued)

The movements in Construction in Progress were attributed as follows:

	$000s
Year ended 31 December 2007	
Opening net book amount	20,548
Additions	91,798
Depreciation charge	-
Closing net book amount	112,346
At 31 December 2007	
Cost	112,346
Accumulated depreciation	-
Net book amount	112,346
Year ended 31 December 2008	
Opening net book amount	112,346
Additions	110,810
Disposals	(11,482)
Depreciation charge	-
Closing net book amount	211,674
At 31 December 2008	
Cost	211,674
Accumulated depreciation	-
Net book amount	211,674

Analysis of construction in progress cost by individual ESV™ vessel is as follows:

	31 December 2008	*31 December 2007*
	$000s	$000s
ESV vessel 1 (Yantai)	85,816	41,238
ESV vessel 2 (COSCO)	109,370	56,167
ESV vessel 3	16,488	14,941
	211,674	112,346

Construction in progress (continued)

Analysis of Construction in Progress net additions by nature:

	31 Dec 2008	*31 Dec 2007*
	$000s	$000s
Third party expenditures – shipyard	37,960	36,179
Third party expenditures – OFE, transport, misc	38,898	42,817
Capitalised interest paid	18,770	16,928
Capitalised interest earned	(4,021)	(7,368)
Income tax provision on capitalised interest received	435	736
Fair value changes	1,388	(369)
Bond Amortisation	195	121
Direct payroll costs capitalised	2,733	1,374
Direct expenses capitalised	1,311	466
Overhead capitalised	1,658	914
	99,328	91,798

Capitalised payroll costs are in respect of employees who have responsibility for ensuring the design and engineering specifications of the ESV^{TM} units are being followed, and employees who have specific responsibility for managing the construction of the vessels at the shipyards.

Intangible Assets

Intangible assets include payments made to purchase technologies related to the design and operation of the ESV^{TM} units and the cost of applying for patents for these items (8 patents are currently being applied for) and software licence costs. At 31 December 2008, $ 3.7m net book value of intangible assets is represented by $ 2.3 relating to technology and $ 1.4m relating to software licences and ERP system development costs.

Fair value of derivatives and other financial instruments

The Company had two derivative financial instruments carried at fair value: a liability relating to the valuation of Founder Warrants as calculated under IAS 39 of $Nil (31 Dec 2007, $ 4.1m) and a $ 3.1m (31 Dec 2007, $ 4.6m) asset relating to fair value of put and call options within the $ 210m bond agreement.

During the second quarter 10,000 of the 225,000 original Founder Warrants were exercised through the subscription of cash in return for shares issued. The difference between the cash received and the fair value of the shares issued was booked to the P&L as a cost of employee services within Administrative expenses. The movement on the Founder Warrants of $ 4.1m is credited to the P&L and reflects the reversal of the Fair Valuation of the Founder Warrants following the expiry of the exercise period of the Warrants. The decrease of $ 1.5m of the fair value of the bond put and call options during the period is charged to Construction in Progress.

Equity

During the year the Company increased the number of shares authorised and in issue through a 4-for-1 share split. The Company also issued during the year 40,000 shares at $ 2 per share as a result of the exercise of 10,000 Founder Warrants and 5,400,900 shares at 27 NOK per share at the time of the IPO. The Investment Bank Fees related to the IPO share issuance have been charged to the share premium account.

At the end of Q4 2008 the Company had 29,440,924 shares in issue with a par value of $ 0.0025.

Operating loss for the period

The result for the year ended 31 December 2008 was a loss of $ 8.7m (2007, loss of $ 6.2m). The Cost of Sales for the year includes the write-off of Construction in Progress costs relating to ESV 3, principally the write-off of shipyard construction costs on the cancelled Beacon ship building contract and the adjustment of OFE acquired for ESV 3 to realisable values along with the cost of terminating a dry towing contract. The write-off was partially offset by a gain on disposal arising from Construction in Progress materials sold during the year. The loss for the year also includes $ 0.7m of administrative expenses incurred in respect of accounting, legal and due diligence fees associated with the IPO of the Company.

Capital commitments

At the balance sheet date the Group had contracted capital expenditure not yet incurred as follows:

	31 Dec 2008	31 Dec 2007
	$000s	$000s
No later than 1 year	88,872	123,710
Later than 1 year and no later than 5 years	-	24,407
	88,872	148,117

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