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News Release

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SLP Engineering Ltd (in administration) – 1 week update

Following their appointment as joint administrators to a number of SLP companies a week ago, Stephen Oldfield and Chris Pillar from PricewaterhouseCoopers LLP are pleased to announce they have secured further customer commitments for ongoing trading at Lowestoft.

The administrators met with over 1000 employees and agency staff this week and announced that in addition to the support of the major customer which was agreed upon appointment, three other important customers have agreed to continuing work on their contracts.

SLP, a Lowestoft based offshore engineering company, was placed into administration last week by its directors as a result of a significant contractual dispute and claims from a customer on one of its previous major construction projects.

The administrators' strategy on appointment was firstly to engage with the workforce, secondly to capture further customer commitments to stabilise ongoing trading, and thirdly, focus on finding a buyer for the business as a going concern to secure the long term future of the business

Stephen Oldfield, Joint Administrator and partner at PricewaterhouseCoopers LLP in East Anglia said:

> "Since our appointment, we have met the union and employee representatives every day and held two meetings with the entire workforce. We have also held urgent talks with the key remaining customers who have recognised the quality and skill of the SLP team, its design engineering and fabrication capabilities, and have agreed to continue working with us.
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> "There are still discussions continuing with other customers, but I am pleased with the progress we've made in the first week and we will continue to work to bring those remaining customers over the line."

The progress made to date on securing customers allows work to continue 'as usual' in the Lowestoft Yard and gives the administrators a strong platform as the focus moved towards finding a buyer for the business as a going concern.

Stephen Oldfield continued:

> "It is still early days, but I have already received emails and calls from the UK and beyond asking for information on the business and we will be advertising it for sale in National and Trade media this week. We are looking to secure interest from potential purchasers and parties should email philip.j.sharpe@uk.pwc.com to register their interest.
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> "With more clarity on the customer commitments to the SLP companies in Administration, we have been reviewing the necessary workforce to deliver the work that has been secured, whilst retaining key elements of the business to attract buyers. We have held meetings with Unions, Employee Representatives and the workforce to discuss the need to reshape the business against the level of work available.
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> "Following those discussions, we have had to reduce the number of SLP employees by 23 and have also reduced the level of agency staff used by the business. We have ensured those affected employees are paid up to date and are making sure they are fully supported through the process, including arranging a workshop next wee and contacting job centre plus on their behalf.
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> "After today's announcement we will still have over 800 employees and a significant number of agency staff working for the SLP companies in Administration. The effort and quality of work has remained excellent throughout the last week as we have worked to secure further contracts for the business and I would like to thank the employees for their support."

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Note to Editor:

Stephen Oldfield, Chris Pillar and Mark Shires were appointed joint administrators of SLP Holdings Ltd and its subsidiaries (together 'SLP') on 27 November 2009.

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