

FOR IMMEDIATE RELEASE

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SLP Engineering Ltd – in administration and sale of business

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

SLP is a supplier of engineering and construction projects to the offshore oil and gas industry and other related markets. It employs 876 at its sites in Lowestoft, Tyneside, Blackpool and New Malden.

SLP has been embroiled in a significant contractual dispute and claims from a customer on one of its previous major construction projects. This dispute put significant financial strain on the business. Arbitration proceedings were commenced and negotiations were pursued. However, despite attempts to settle between the parties, the dispute remains unresolved. In the absence of any clear prospect of resolution the SLP Board concluded they were left with no option than to invite the appointment of administrators.

Stephen Oldfield, joint administrator and Advisory partner at PricewaterhouseCoopers LLP in East Anglia, said:

"The Directors have been exploring a number of options for the business over several weeks but were unable to find a solution. Consequently they had no alternative but to invite my appointment.

"However extensive discussions with one of SLP's current major customers have concluded with agreement to fund continued work on that contract through to completion in Spring 2010. This agreement provides a significant proportion of SLP's workforce with continuing paid work and subcontractors and suppliers to that Contract have and will similarly continue to be paid."

In the immediate term, the administrators will be focusing all of their efforts on holding discussions with the key remaining SLP customers and seeking to reach agreement for the continued delivery of the existing SLP contracts. Thereafter, the administrators will be looking to secure the longer term future of the business, including dialogue with any potential buyers.

Stephen Oldfield continued:

"These ongoing discussions with other customers will not be easy, but if negotiations are successful the Company will be able to continue to employ even more of the workforce. We will be discussing the position with the workforce, employee representatives and unions so they are kept abreast of the position as customer discussions unfold in the coming days.

"Alongside these customer and employee discussions, I will also be focusing on a sale of the remainder of the Group to seek to try to secure the long term future of the business".

"However, with SLP's prospective customer base being aware of its significant contractual dispute, the level of new work at SLP in recent months has been significantly reducing. Whilst we have been successful in securing one major customer and hope shortly to secure others, we have unfortunately been left with no choice but to reduce the management staffing at Lowestoft by 45 with immediate effect."

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SLP Engineering Ltd – in administration and sale of business../2 of 2

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