

10 February 2009

VELOSI LIMITED

TRADING STATEMENT

Velosi Limited (“Velosi” or the “Group”), the AIM listed provider of asset integrity and HSE services to a number of major national and multinational oil and gas companies, is pleased to announce that trading was in line with market expectations for the 12 months ended 31 December 2008.

During 2008 the Company continued to benefit from its investment and acquisitions in new regions and markets, reflected in the winning of a wide range of significant new contracts with major oil and gas corporations. Investment in new projects together with the need for the ongoing maintenance of long-term infrastructure projects has underpinned this revenue growth. Velosi opened new offices in Angola, Ghana, Vietnam, the Netherlands, and Russia and also expanded its diverse range of services focusing in particular on Asset Integrity Management Services. Demand for asset integrity services has been strong, driven by Velosi’s reputation for being able to deliver cost effective solutions on a global basis.

During 2008 Velosi won its first contract in Norway, providing Quality Assurance and Control for BP, and won new contracts in Saudi Arabia, Italy and Qatar. Towards the end of 2008, the Chevron contract in Angola commenced and will be a strong contributor to Group revenues going forward.

In October 2008, through acquiring a 60% stake in PSC Europe SRL, Velosi expanded its presence in Italy’s rapidly growing natural gas market providing expediting and inspection services. Closely following the acquisition, a new substantial Italian contract was won with Saipem, a subsidiary of ENI. In addition, integration of previous acquisitions, K2 and Intec, generated a number of valuable synergies and cross-referrals during 2008.

In the current year our strong order book provides good visibility on future revenues and as such, the Group is trading in line with market expectations. However with the deterioration in global market conditions and the price of oil, we expect to see our customers come under increasing pressure to reduce costs. In the longer term we believe we can offset the expected slowdown through increased market penetration and diversification of services, and while we believe the business continues to be well placed for growth in 2009, longer term we remain cautious in light of the continued global market uncertainty.

Cash generation in 2008 was strong and continues to improve into 2009. The Group is closely focused on ensuring the business operates on a streamlined cost base whilst ensuring that it does not forego commercial opportunities.

Dr Nabil Abdul Jalil, CEO, commented: “2008 was a good year for the business, as a result while we are now entering a more challenging period we are in a strong position. Our current order book together with the knowledge of other contracts we are working on gives us the confidence to be relatively positive for 2009. We are also continuing to see opportunities to expand into new markets both organically and through acquisition, however, given the broader market environment we are adopting a more cautious approach to expansion.”

Velosi will report its results for the 12 months to 31 December 2008 on 20 April 2009.

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