Siteserv PLC 16 October 2007

SITESERV PLC

Acquisition of Sierra Communications Limited

16 October 2007

Further to the announcements on 6 September 2007, Siteserv plc ('Siteserv' or the 'Company') is pleased to announce that it has completed the acquisition of leading utilities services provider, Sierra Communications Limited ('Sierra') following the approval of the Competition Authority under Section 21(1)(a) of the Competition Act 2002.

As previously announced the consideration for the acquisition comprises an initial payment of €46 million on completion, €41.4 million of which will be in cash with the remainder being satisfied through the issue of 7,796,610 Siteserv ordinary shares at €0.59. Additional amounts will be payable based on the financial performance and levels of growth in profitability of Sierra over it's next three financial years up to 30 June 2010. The maximum additional consideration payable under these arrangements has been capped at €6.0 million. Sierra is being acquired on a debt-free/cash-free basis. In addition to the consideration Siteserv will issue 885,000 share options to senior managers in Sierra at an exercise price of €0.59 per share with vesting four years after issue.

In the year ended 30 June 2007, Sierra had audited turnover of €52.3 million and earnings before interest and tax of €7.0 million. Net assets at completion were approximately €5.3 million. Gross assets at completion were €14.5 million.

The acquisition has been funded through Siteserv's existing resources and additional borrowings of approximately €42.9 million.

Siteserv previously announced pro-forma numbers for the year ended 30 April 2007 on the basis that the acquisition of Easy Access and Holgate had been consolidated from the start of the year rather than from the date of the acquisition. If, on the same basis, and for illustrative purposes only, you added in the audited figures for Sierra to 30 June 2007 to the previously announced pro-forma numbers for Siteserv this gives €122 million of revenue and €16.15 million of operating profit. For illustrative purposes only if you added the gross assets of Siteserv at 30 April 2007 to the audited gross assets of Sierra at 30 June 2007, total gross assets would amount to €108.6 million.

The Siteserv ordinary shares which will be issued as part of the consideration are subject to 12 month lock-up. Application will be made for the new ordinary shares to be admitted to trading on the IEX market of the Irish Stock Exchange and the AIM market of the London Stock Exchange following completion.

Following the acquisition, Siteserv has reduced it dependency on the domestic housing sector to account for approximately 35% of group revenues.

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