



MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)
(Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Period Ended 31 December 2011

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated		
	For the three-month periods that ended on 31 December		
	2011 Baht'000	2010 Baht'000	Changes %
Service income	1,151,411	1,112,509	3.5%
Cost of services	(1,024,548)	(1,084,778)	-5.6%
Gross profits	126,863	27,731	357.5%
Management fee income	-	27,394	-100.0%
Interest income	2,554	1,436	77.9%
Other income	1,155	3,823	-69.8%
Administrative expenses	(183,316)	(153,271)	19.6%
Gains (losses) on exchange rates	36,406	(16,083)	326.4%
Net gains (losses) on disposals, write-offs and impairment losses of property, plant, and equipment	1,096	(11,985)	109.1%
Operating profits (losses)	(15,242)	(120,955)	87.4%
Share of losses of investments in associates	(2,447)	(1,353)	80.9%
Profits (losses) before finance costs and income taxes	(17,689)	(122,308)	85.5%
Finance costs	(45,171)	(43,616)	3.6%
Profits (losses) before income taxes	(62,860)	(165,924)	62.1%
Income taxes	(15,726)	(23,773)	33.8%
Profits (losses) for the period	(78,586)	(189,697)	58.6%
Other comprehensive income (expenses):			
Exchange differences on translating financial statements	(15,608)	(12,744)	22.5%
Total comprehensive income (expenses) for the period	(94,194)	(202,441)	53.5%
Profits (losses) attributable to:			
Owners of the parent	(85,408)	(187,728)	54.5%
Non-controlling interests	6,822	(1,969)	446.5%
	(78,586)	(189,697)	58.6%
Total comprehensive income (expenses) attributable to:			
Owners of the parent	(101,632)	(200,223)	49.2%
Non-controlling interests	7,438	(2,218)	435.3%
	(94,194)	(202,441)	53.5%
Notes to the income statements			
Depreciation and amortisation	221,372	251,607	



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(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Consolidated		Company	
	Unaudited 31 December 2011 Baht'000	Audited 30 September 2011 Baht'000	Unaudited 31 December 2011 Baht'000	Audited 30 September 2011 Baht'000
Assets				
Current assets				
Cash and cash equivalents	1,563,427	1,352,380	376,301	377,635
Restricted deposits at financial institutions	209,954	206,484	-	-
Trade accounts receivable - others, net	1,022,554	1,661,898	-	-
Amounts due from related parties	-	33	439,086	412,054
Short-term loans to related parties	-	-	5,014,368	4,933,109
Supplies and spare parts	144,215	137,926	-	-
Other current assets	183,550	136,801	11,568	13,743
Total current assets	3,123,700	3,495,522	5,841,323	5,736,541
Non-current assets				
Restricted deposits at financial institutions	126,209	124,110	-	-
Investments in subsidiaries - cost method, net	-	-	4,970,999	4,970,999
Investments in associates	1,859,594	1,862,041	1,903,814	1,903,814
Property, plant, and equipment, net	10,964,496	11,122,394	166,527	170,644
Goodwill	332,279	332,279	-	-
Intangible assets, net	13,397	16,206	1,139	1,256
Deferred expenses	28,536	29,375	-	-
Deferred tax assets, net	101,018	99,437	-	-
Other non-current assets	10,003	22,739	833	864
Total non-current assets	13,435,532	13,608,581	7,043,312	7,047,577
Total assets	16,559,232	17,104,103	12,884,635	12,784,118
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable - others	135,101	187,295	-	-
Trade accounts payable - related parties	5,334	2,970	-	-
Other accounts payable	45,416	54,156	2,295	5,758
Amounts due to related parties	16,760	12,530	1,164,682	1,141,526
Current portion of long-term loans from financial institutions	363,531	556,747	-	-
Current portion of finance lease liabilities	1,598	1,744	1,170	1,170
Income taxes payable	25,906	19,684	-	-
Accrued expenses	152,787	279,906	11,124	7,759
Current portion of employee benefit obligations	9,045	61,031	-	-
Other current liabilities	67,709	50,482	10,021	10,681
Total current liabilities	823,187	1,226,545	1,189,292	1,166,894
Non-current liabilities				
Long-term loans from financial institutions	3,360,061	3,409,963	-	-
Finance lease liabilities	2,790	3,277	1,075	1,366
Employee benefit obligations	25,773	22,703	3,284	2,908
Total non-current liabilities	3,388,624	3,435,943	4,359	4,274
Total liabilities	4,211,811	4,662,488	1,193,651	1,171,168
Shareholders' equity				
Share capital				
Authorised share capital				
Ordinary shares				
791,213,843 shares of par Baht 1 each	791,214	791,214	791,214	791,214
Issued and paid-up share capital				
Ordinary shares				
784,747,743 shares of paid-up Baht 1 each	784,748	784,748	784,748	784,748
Premium on share capital	9,818,420	9,818,420	9,818,420	9,818,420
Exchange differences on translating financial statements	(213,919)	(197,695)	-	-
Retained earnings				
Appropriated - legal reserves	78,475	78,475	78,475	78,475
Unappropriated	1,773,251	1,858,659	1,009,341	931,307
Equity attributable to owners of the parent	12,240,975	12,342,607	11,690,984	11,612,950
Non-controlling interests	106,446	99,008	-	-
Total shareholders' equity	12,347,421	12,441,615	11,690,984	11,612,950
Total liabilities and shareholders' equity	16,559,232	17,104,103	12,884,635	12,784,118



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1 (b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: -

- (a) the amount repayable in one year or less, or on demand;**
- (b) the amount repayable after one year;**
- (c) whether the amounts are secured or unsecured; and**
- (d) details of any collaterals.**

	As at 31 December 2011		
	Secured	Unsecured	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	119,503	245,626	365,129
Amount repayable after one year (*)	2,320,630	1,042,221	3,362,851

	As at 30 September 2011		
	Secured	Unsecured	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	324,190	234,301	558,491
Amount repayable after one year (*)	2,311,901	1,101,339	3,413,240

(*) Including bank overdrafts, short-term loans from financial institutions, and current portions of long-term loans and finance leases, if any.

As at 31 December 2011, there are land and buildings, three remotely operated vehicles, a support vessel, and a tender rig that are mortgaged with various banks as collateral for their overdrafts and loans. For more details, please read the notes to the consolidated and Company financial statements for the three-month period that ended on 31 December 2011, which are available in the SGX's website and the Company's website.



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1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated	
	Three-month periods ended on 31 December	
	2011	2010
	Baht'000	Baht'000
Cash flows from operating activities		
Profits (losses) before income taxes	(62,860)	(165,924)
Adjustments for:		
Depreciation	219,225	249,363
Amortisation of intangible assets	2,147	2,244
Finance costs	45,171	43,616
Net (gains) losses on disposals, write-offs, and impairment losses of property, plant, and equipment	(1,096)	11,985
Realised (gains) losses on exchange rates	(22,594)	31,159
Unrealised (gains) losses on exchange rates	(13,812)	(15,076)
Employee benefit obligations	5,237	14,649
Share of losses of investments in associates	2,447	1,353
Exchange rates gains from translation of overseas subsidiaries	(29,220)	(3,984)
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)		
- Restricted deposits at financial institutions	(6)	-
- Trade accounts receivable - others	674,173	(453,756)
- Trade accounts receivable - related parties	-	169
- Amounts due from related parties	33	(30,613)
- Supplies and spare parts	(6,289)	(2,006)
- Other current assets	(41,739)	(44,710)
- Deferred expenses	839	3,032
- Other non-current assets	12,736	925
- Trade accounts payable - others	(48,275)	87,490
- Trade accounts payable - related parties	2,364	(3,600)
- Other accounts payable	(9,566)	19,186
- Amounts due to related parties	4,230	885
- Accrued expenses	(125,603)	(8,725)
- Other current liabilities	16,035	21,900
Cash generated from operations	623,577	(240,438)
- Finance costs paid	(44,106)	(43,695)
- Income taxes paid	(16,222)	(11,024)
- Employee benefits paid	(55,845)	(20,204)
Net cash inflows (outflows) from operating activities	507,404	(315,361)



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	Consolidated	
	Three-month periods ended on 31 December	
	2011	2010
	Baht'000	Baht'000
Cash flows from investing activities		
Payments for short-term investments	-	(594,789)
Payments for investments in associates	-	(1,456,631)
Proceeds from disposals of property, plant, and equipment and intangible assets	8,035	17,518
Payments for purchase of property, plant, and equipment	(55,135)	(103,694)
Payments for purchase of intangible assets	(704)	(1,638)
Net cash outflows from investing activities	(47,804)	(2,139,234)
Cash flows from financing activities		
Repayments of finance lease liabilities	(669)	(1,020)
Repayments of long-term loans from financial institutions	(292,022)	(179,649)
Net cash outflows from financing activities	(292,691)	(180,669)
Net increase (decrease) in cash and cash equivalents	166,909	(2,635,264)
Cash and cash equivalents at the beginning of the period	1,352,380	3,742,938
Effects of exchange rates	44,138	(42,514)
Cash and cash equivalents at the end of the period	1,563,427	1,065,160



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1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated							Baht' 000	
	Attributable to owners of the parent						Total owners of the parent	Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other component of equity				
					Other comprehensive income	Total other component of equity			
				Exchange differences on translating financial statements					
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	1,858,659	(197,695)	(197,695)	12,342,607	99,008	12,441,615
Net losses for the period	-	-	-	(85,408)	-	-	(85,408)	6,822	(78,586)
Exchange differences on translating financial statements	-	-	-	-	(16,224)	(16,224)	(16,224)	616	(15,608)
Ending balance as at 31 December 2011	784,748	9,818,420	78,475	1,773,251	(213,919)	(213,919)	12,240,975	106,446	12,347,421

	Company				Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Total shareholders' equity	
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	931,307	11,612,950	
Net profits for the period	-	-	-	78,034	78,034	
Ending balance as at 31 December 2011	784,748	9,818,420	78,475	1,009,341	11,690,984	



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	Consolidated							Baht' 000	
	Attributable to owners of the parent							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other component of equity		Total owners of the parent		
					Other comprehensive income				
Exchange differences on translating financial statements					Total other component of equity				
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	2,519,918	(270,702)	(270,702)	12,892,101	89,688	12,981,789
Net losses for the period	-	-	-	(187,728)	-	-	(187,728)	(1,969)	(189,697)
Exchange differences on translating financial statements	-	-	-	-	(12,495)	(12,495)	(12,495)	(249)	(12,744)
Ending balance as at 31 December 2010	784,748	9,818,420	39,717	2,332,190	(283,197)	(283,197)	12,691,878	87,470	12,779,348

	Company				Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings (deficit)	Total shareholders' equity	
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	(207,604)	10,435,281	
Net profits for the period	-	-	-	1,405,228	1,405,228	
Ending balance as at 31 December 2010	784,748	9,818,420	39,717	1,197,624	11,840,509	



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1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Par value Baht	Number of registered ordinary shares Shares'000	Issued and paid-up ordinary shares Shares'000	Premium on share capital Baht'000	Total Baht'000
As at 30 September 2011	1	791,214	784,748	9,818,420	10,603,168
Movements	-	-	-	-	-
As at 31 December 2011	1	791,214	784,748	9,818,420	10,603,168

As at 31 December 2011 and 30 September 2011, all issued shares were fully paid.

Subsequent events

At the Annual General Meeting of Shareholders No.1/2012 held on 26 January 2012, there were significant matters approved by the shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 791,213,843 to Baht 788,308,843 by means of the cancellation of 2,905,000 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated under the Employee Stock Option Plans ("ESOP") for 2008, 2009, 2010, and 2011.
- The issue and offer up to 4,000,000 free warrants to directors and employees of the Company or subsidiaries under ESOP 2012 pursuant to its terms.
- An increase in the registered share capital of the Company from Baht 788,308,843 to Baht 792,308,843 by means of issuance of 4,000,000 new ordinary shares with a par value of Baht 1 each.
- The allocation of 4,000,000 new ordinary shares from the increase in registered share capital for distribution under ESOP 2012.

The ESOP 2012 is required to be approved by the Annual General Meeting of Shareholders No. 1/2012 held on 31 January 2012 of Thoresen Thai Agencies Public Company Limited ("TTA"), the parent company, as required by the notification No. Tor Jor 32/2551 of the Securities and Exchange Commission of Thailand. However, at TTA's Annual General Meeting of Shareholders on 31 January 2012, approval was not given, and consequently the ESOP 2012 programme will not be implemented. Prior ESOP programmes in effect are not affected by this outcome.



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1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of immediately preceding year.

As at 31 December 2011 and 30 September 2011, the issued shares of the Company were 784,747,743 shares and 784,747,743 shares with a par value of Baht 1 per share, respectively.

As at 31 December 2011 and 30 September 2011, there were no outstanding treasury shares.

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, since the Company has not transacted treasury shares during the period that ended on 31 December 2011.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have been prepared in accordance with Thai generally accepted accounting principles ("Thai GAAP") and audited by the Company's auditor, PricewaterhouseCoopers ABAS Limited, except for item 14 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS" which is provided by the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Based on the auditor's reviews, nothing has come to their attention that causes them to believe that the consolidated and Company interim financial statements for the three-month period that ended on 31 December 2011 are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The signed auditor's report is on page 1 of the interim consolidated and Company financial statements for the three-month period that ended on 31 December 2011, which is reported together with this announcement and is available in the SGX's website and the Company's website.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation as in the Company's most recently audited annual Thai GAAP financial statements have been applied, except as described in item 5 in this announcement.

5. If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please read notes 3.1 and 3.2 on pages 10-12 in the interim consolidated and Company financial statements for the three-month period that ended on 31 December 2011, which are available in the SGX's website and the Company's website.



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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

Basic earnings (losses) per share are calculated by dividing the net profits (losses) attributable to the ordinary shareholders of the parent by the weighted average number of paid-up ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings (losses) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has an Employee Share Option Plan in issue.

A calculation is done to determine the potential number of shares that could have been acquired at market price (using the average share price of the Company’s shares during the period) and the potential additional shares that would have been issued based on the outstanding Employee Share Option Plan. The potential shares are added to the ordinary shares outstanding, but no adjustment is made to net profit.

For the calculation of the diluted earnings (losses) per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares for the three-month period that ended on 31 December 2011 is 784,747,743 shares (31 December 2010: 785,065,945 shares).

	For the three-month periods that ended on 31 December			
	Consolidated		Company	
	2011	2010	2011	2010
Weighted average number of ordinary shares (Shares’000)	784,748	784,748	784,748	784,748
Effect of dilutive potential ordinary shares				
Employee Shares Option Plan (Shares’000)	-	318	-	318
Weighted average number of ordinary shares for diluted earnings (losses) (Shares’000)	<u>784,748</u>	<u>785,066</u>	<u>784,748</u>	<u>785,066</u>
Net profits (losses) for the period attributable to ordinary shareholders (Baht’000)	(85,408)	(187,728)	78,034	1,405,228
Basic and diluted earnings (losses) per share (Baht)	(0.11)	(0.24)	0.10	1.79



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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Consolidated		Company	
	31-Dec-11 Baht	30-Sept-11 Baht	31-Dec-11 Baht	30-Sept-11 Baht
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective year	15.73	15.85	14.90	14.80

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Income Statements

During the three-month period that ended on 31 December 2011 ("1Q FY12"), total service income was Baht 1,151.4 million, an increase of Baht 38.9 million, or 3.5%, from Baht 1,112.5 million for the three-month period that ended on 31 December 2010 ("1Q FY11"), primarily due to the increase in survey income.

The subsea group reported service income of Baht 698.5 million, a decrease of Baht 76.5 million, or 9.9%, compared to 1Q FY11 due to the fact that more vessels were on charter than working in subsea mode during this low season. As a result, average day rates fell 31.4%. Utilisation increased to 55.3% from 49.2% in 1Q FY11.

The drilling group reported service income of Baht 233.9 million, a decrease of Baht 32.8 million, or 12.3%, compared to 1Q FY11, as MTR-2 had some maintenance days in the last quarter compared to 100% utilisation in 1Q FY11.

Despite the revenue decreases in the subsea and drilling groups, operating profits increased by Baht 43.4 million and Baht 2.8 million from 1Q FY11, respectively. The improved operating profits were primarily a result of tighter management of project and vessel running costs.

Administrative expenses were Baht 183.3 million, an increase of Baht 30.0 million, or 19.6%, from 1Q FY11. There were some extraordinary items, including redundancy costs of Baht 11.7 million and a Baht 6.2 million fee as ownership of M.V. Mermaid Asiana was changed from Nemo Subsea AS to Mermaid Offshore Services Ltd. Without these extraordinary items, administrative expenses increased by 7.9%, mostly due to write-offs of prepaid taxes of Baht 5.7 million and outsourcing fees of certain IT, procurement, and administrative services of Baht 3.9 million.



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Operating profits/losses (Earnings before Interest & Taxes and Share of Investment in Associates)

The low season for subsea services runs from November to February. The Company reported operating losses of Baht 15.2 million, a reduction of Baht 105.7 million, or 87.4%, from 1Q FY11. The significant improvement was provided by the subsea group (Baht 43.4 million), the survey group (Baht 37.8 million), the drilling group (Baht 2.8 million), and the holding company (Baht 21.7 million).

Shares of Investment in Associate, Finance Costs, and Income Taxes

Share of losses in investment in an associate was Baht 2.4 million as Asia Offshore Drilling Ltd. ("AOD") has not taken delivery of its three new build jack-up rigs.

Finance costs were Baht 45.2 million, a slight increase of Baht 1.6 million, or 3.6%, compared to 1Q FY11 due to higher US Dollar LIBOR rates. The average loan balance of Baht 3,845.2 million fell 8.8 % from the average loan balance of Baht 4,216.0 million in 1Q FY11.

Income taxes were Baht 15.7 million, a decrease of Baht 8.1 million, or 33.8% from 1Q FY11. The Thai Government announced a reduction of corporate income tax rate, thus the corporate income tax was adjusted on deferred tax assets.

Net Profits (Losses)

As a result, net losses in 1Q FY12 were Baht 78.6 million, a decrease of Baht 111.1 million, or 58.6%, compared to 1Q FY11.

Business Segment Analysis

Drilling: The drilling group reported operating profits of Baht 50.1 million, an increase of Baht 2.8 million, from 1Q FY11.

MTR-1 was off-hire in the last quarter, but will resume working in April 2012. MTR-2 is under contract with Chevron (Indonesia) and working in Indonesia. MTR-2 achieved 89.2% utilisation in this quarter, compared to 100% utilisation in 1Q FY11 due to some maintenance.

Subsea: The subsea group reported operating losses of Baht 86.4 million in this period. However, the losses were substantially reduced from Baht 129.8 million in 1Q FY11 due to better management of all operating costs.

Survey: The survey group reported operating profit of Baht 33.3 million, compared to operating losses of Baht 4.5 million in 1Q FY11.



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The utilisation rate was calculated by adding the number of days that our vessels worked including any pre-mobilisation time, divided by the number of total calendar days.

Consolidated Balance Sheets

Current assets were Baht 3,123.7 million, a decrease of Baht 371.8 million, or 10.6%, from 30 September 2011, mainly due to account receivables collection of Baht 639.3 million. As a result, cash and cash equivalents increased 15.6 % to Baht 211.0 million.

Non-current assets were Baht 13,435.5 million, a decrease of Baht 173.0 million, or 1.3%, compared to 30 September 2011, mainly driven by assets depreciation of 219.2 million.

Current liabilities were Baht 823.2 million, a decrease of Baht 403.4 million, or 32.9%, from 30 September 2011. The current portion of long-term loans of Baht 193.2 million, accrued expenses of Baht 127.1 million, employee benefits of Baht 52.0 million, and trade accounts payable of Baht 52.2 million, were paid during the first quarter.

Non-current liabilities were Baht 3,388.6 million, a decrease of Baht 47.3 million, or 1.4%, compared to 30 September 2011, primarily due to US Dollar appreciation against Thai Baht..

Shareholders' funds were Baht 12,347.4 million, a decrease of Baht 94.2 million, or 0.8% from 30 September 2011 mainly caused by the net losses for 1Q FY12.

Working Capital

The Company's working capital was Baht 2,300.5 million, an increase of Baht 31.5 million, or 1.4%, from 30 September 2011, mainly driven by accounts receivables collection.

Consolidated Cash Flow Statements

The Company had net cash from operating activities of Baht 507.4 million in 1Q FY12, an increase of Baht 822.8 million, or 260.9%, compared to negative net cash flows of Baht 315.4 million in 1Q FY11. The increase in net cash from operation reflected improvements in both performance and working capital management.

The Company had net cash used in investing activities of Baht 47.8 million in 1Q FY12, as no major investments were made.

The Company had net cash used by financing activities of Baht 292.7 million in 1Q FY12, an increase of Baht 112.0 million, compared to 1Q FY11 to repay long-term loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.



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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Drilling:

MTR-1 was awarded an accommodation barge contract in Indonesia, and its effective date is early April 2012 for a term of 150 days with a potential value of USD 4.9 million.

MTR-2 is currently working on a contract with Chevron Indonesia that will expire in April 2012. Discussions are ongoing to extend this contract beyond this term.

The underlying trend in the offshore oil and gas market supports improving business opportunities with continued growth in committed exploration and production capital spending. We continue to see strong demand for high-specification jack-up rigs that offer superior technical capabilities, operational flexibility and reliability.

Construction for AOD's three high-specification jack-up rigs with Keppel FELS Limited ("KFELS") is progressing well with delivery expected in the first, second, and third calendar quarters of 2013, respectively. In September 2011, AOD announced an increase in the water depth capacity for its three jack-up rigs under construction from 350 feet to 400 feet. This investment will increase the marketability of the rigs, allowing them to successfully operate in more offshore areas. AOD believes these upgrades will improve the long-term returns on investment for its shareholders, especially in the Asia-Pacific region when demand remains strong and has spurred relocation of high-specification units from other geographic regions.

Increased demand for drilling rigs has resulted in higher day rates, which has led to the reactivation of many older jack-up rigs. Nevertheless, we believe that newer drilling rigs will be much more competitive in obtaining work over time.

Safe work practices remains an integral part of Mermaid's operations, and Mermaid strives to continue to be in line with global industry best practice and maintain its exemplary safety record for both its drilling and offshore services. This emphasis on safety played an important role in the award of the accommodation barge contract for MTR-1.

Subsea:

In 2009, a mismatch between negative E&P spending growth and continued high fleet growth resulted in reduced utilisation and idle assets. Despite an increase in E&P spending in 2010, fleet growth in seismic and subsea outpaced demand growth and oversupply put pressure on margins. For 2011, fleet growth has not matched increased spending.

For 2012, a further uptick in utilisation and margins is expected, as the supply/demand balance remains tight. The outlook for 2013 onwards is bullish, as growth in fleet sizes is expected to lag spending growth.



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We believe that our subsea group is well positioned to compete in these difficult market conditions through having the most advanced and modern portfolio of assets in Southeast Asia; a respected operational capability and excellent safety record, and experienced management and quality people. We have strengthened our commercial and project management capabilities and aim to secure higher value added work in more offshore areas.

In terms of our clients, more and more work is being conducted outside of Thailand, and we will be focusing on securing work on a global basis outside of Thailand through our newly established international marketing office in Singapore as well as our Subtech and Seascope offices in their respective territories. In addition, we will be working to offer a complete and homogenous suite of services across all our regional offices to achieve better synergies and economies of scale.

Our operational performance and safety standards remain high and in line with global best industry practice. To this end, the Mermaid Commander received a special award by our long-time clients Chevron and CUEL for achieving 10 years of marine operations without a single lost time incident in October 2011.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and
No dividend has been declared.

(b) (i) Amount per share.....cents
Not applicable

(b) (ii) Previous corresponding period.....cents
Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).
Not applicable

(d) The date the dividend is payable.
Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable



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13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The details of the aggregate value of interested person transactions of the Company for the three-month period that ended on 31 December 2011 is as follows:

Mermaid Maritime Public Company Limited		
Unaudited but reviewed results for the three-month period that ended on 31 December 2011		
Interested persons transactions for the three-month period that ended on 31 December 2011		
Name of interested persons	Aggregate value of all interested persons transactions during the three-month period ended on 31 December 2011 under review (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested persons transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000*)
	Baht'000	Baht'000
Cost of services		
Gulf Agency Company (Thailand) Ltd.	5,338.60	-
Administrative expenses		
Thoresen Thai Agencies Public Company Limited	-	2,594.35

* Exchange rate Baht 24.9687 per 1 SGD



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14. A reconciliation of difference between Thai GAAP to IFRS.

Currently, the Company has applied IAS 12: Income Taxes, IAS 16: Property, Plant, and Equipment, IAS 18: Revenues (in relation to revenues recognition of mobilisation fee), and IAS 19: Employee Benefits in its Thai GAAP financial statements. The Company received a waiver from Singapore Exchange Limited and has not applied IAS 21: The Effects of Changes in Foreign Exchange Rates. Therefore, the significant difference between Thai GAAP and IFRS financial statements is clarified below.

The Effects of Changes in Foreign Exchange Rates

Thai GAAP

Thai GAAP does not require a determination of the functional currency (the currency of the primary economic environment in which the entity operates). The measurement currency as presented in the Thai GAAP financial statements is the local currency of Thai Baht for companies registered in Thailand.

IFRS

IFRS requires each individual entity included in the reporting entity to determine its functional currency and measure its results and financial position in that currency.

Impact

Because the functional currency of Mermaid Offshore Services Ltd., MTR-1 Ltd., MTR-2 Ltd., and Mermaid Drilling (Malaysia) Sdn. Bhd. as considered material to the consolidated level, is in US Dollars, accounting records need to be measured in the functional currency. This would affect all balance sheet and income statements line items.

The net effects on the consolidated statement of comprehensive income for the periods that ended on 31 December 2011 and 2010 and consolidated statements of financial position as at 31 December 2011 and 30 September 2011 can be summarised as follows:

	Net effects on Consolidated Statement of Comprehensive Income for the three-month period that ended on 31 December 2011		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	1,151.41	1,151.41	-
Total cost of services	1,024.55	1,024.55	-
Administrative expenses	183.32	183.32	-
Operating profits (losses)	(15.24)	40.02	55.26
Net profits (losses) for period	(78.59)	(23.33)	55.26



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	Net effects on Consolidated Statement of Comprehensive Income for the three-month period that ended on 31 December 2010		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	1,112.51	1,112.51	-
Total cost of services	1,084.78	1,084.78	-
Administrative expenses	153.27	153.27	-
Operating profits (losses)	(120.96)	(165.77)	(44.81)
Net profits (losses) for period	(189.70)	(234.51)	(44.81)

	Net effects on Consolidated Statements of Financial Position as at 31 December 2011		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,123.70	3,097.98	(25.72)
Total non-current assets	13,435.53	13,500.21	64.68
Total current liabilities	823.19	829.65	6.46
Total non-current liabilities	3,388.62	3,317.80	(70.82)

	Net effects on Consolidated Statements of Financial Position as at 30 September 2011		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,495.52	3,432.44	(63.08)
Total non-current assets	13,608.58	13,667.01	58.43
Total current liabilities	1,226.54	1,249.19	22.65
Total non-current liabilities	3,435.94	3,348.67	(87.28)

15. Negative assurance on audited financial statements

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the audited financial results for the first quarter that ended on 31 December 2011 of the Group and the Company to be false or misleading.

BY ORDER OF THE BOARD

M.L. Chandchutha Chandratat
Executive Chairman
14 February 2012