

MERMAID MARITIME PUBLIC COMPANY LIMITED (“MMPLC”)

Analyst Presentation

Q2/2008 (31 March 2008)

21 May 2008





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Contents



- 🚢 Analysis of consolidated P&L statement
- 🚢 Segmental analysis
 - **Mermaid Drilling (MDL)**
 - **Mermaid Offshore Services (MOS)**
- 🚢 Financial ratios and debt repayment schedule
- 🚢 Analysis of consolidated balance sheet

Analysis of consolidated P&L statement





Consolidated P&L statements

Period: Q2/07 vs Q2/08 vs Q1/08 (3 months period)



	Q2/07	Q2/08	Q1/08	Increase (decrease) between Q2/08 vs Q1/08		Ref.
	31/3/07	31/3/08	31/12/07	Baht'000	%	
	Baht'000	Baht'000	Baht'000			
Service income	982,433	1,075,050	1,097,906	(22,856)	-2%	A
Sales	258	-	-	-	-	
Total sales and service income	982,691	1,075,050	1,097,906	(22,856)	-2%	
Cost of services	(679,108)	(734,390)	(711,875)	(22,515)	3%	B
Cost of sales	(258)	-	-	-	-	
Total cost of sales and services	(679,366)	(734,390)	(711,875)	(22,515)	3%	
Gross profit from sales and services	303,325	340,660	386,031	(45,371)	-12%	
Service and administrative expenses	(88,878)	(296,023)	(237,953)	(58,070)	24%	C
Interest income	92	3,309	15,133	(11,824)	-78%	D
Gain/(loss) on exchange rates	33,814	(16,077)	18,237	(34,314)	-188%	E
Net gain /(loss) on disposal of and W/O PPE	255	766	514	252	49%	
Other income	44,859	70,121	1,430	68,691	4804%	F
Operating profit	293,467	102,756	183,392	(80,636)	-44%	



Consolidated P&L statements

Period: Q2/07 vs Q2/08 vs Q1/08 (3 months period)



	Q2/07	Q2/08	Q1/08	Increase (decrease) between Q2/08 vs Q1/08		Ref.
	31/3/07	31/3/08	31/12/07	Baht'000	%	
	Baht'000	Baht'000	Baht'000			
Share of profit from an associate	-	7,428	3,341	4,087	122%	G
Profit before interest expense and income taxes	293,467	110,184	186,733	(76,549)	-41%	
Interest expenses	(44,773)	(30,789)	(37,937)	7,148	-19%	H
Profit before income taxes	248,694	79,395	148,796	(69,401)	-47%	
Income taxes	(4,857)	34,492	92,495	(58,003)	-63%	I
Profit before minorities	243,837	113,887	241,291	(127,404)	-53%	
Profit (loss) attributable to minority interests	(3,921)	(714)	(1,012)	298	-29%	
Net profit for the year	239,916	113,173	240,279	(127,106)	-53%	
Depreciation and amortisation	125,171	138,317	131,127	7,190	5%	
EBITDA (Including FX Impact)	418,638	241,073	314,519	(73,446)	-23%	
EBITDA (Excluding FX Impact)	384,824	257,150	296,282	(39,132)	-13%	



Analysis of P&L statement: Q2/08 vs Q1/08



A	<p>Slight decrease resulting from Baht strengthening against US dollar, from Baht 33.9 to Baht 32.4 per USD 1, or strengthening of Baht 1.5 per USD 1 in this quarter.</p> <p>US dollar revenue of Subsea Engineering group in this quarter was similar to previous quarter, while the US dollar revenue of Drilling group (MTR1) in this quarter was USD 0.7 million higher than previous quarter.</p>
B	<p>Increase mainly from higher crew costs in drilling associated with crew replacement, salary increases, bonuses, and delayed expenses from fire incident.</p>
C	<p>Increase mainly from reclassification of Mermaid Commander operating costs of Baht 53.1 million (from “Cost of Service” to “Service and Admin”) during offhire period for scheduled drydocking. Excluding such cost, the Service and Administrative expenses showed minimal change when compared with previous quarter. The drydocking of Mermaid Commander was completed and the vessel returned to operation during this quarter.</p>
D	<p>Interest income deriving from bank deposits of IPO proceeds. Significant decrease resulting from decrease in deposit rates from 2% per annum in last quarter to 0.25% per annum in this quarter.</p>



Analysis of P&L statement: Q2/08 vs Q1/08



E	A net result of unrealised and realised gains on exchange rate from US dollar loans and unrealised loss on exchange rate of SGD dollar deposits. The realised gain on exchange rate resulted from loan repayments during the period. The unrealised gain and loss on exchange rates resulted from translations of foreign currency to Baht using quarter end rates.
F	Increase primarily from accrued insurance claim of Baht 68 million in relation to fire incident last year.
G	Share of profit from an associate, WCI, in this quarter was higher than previous quarter due to higher utilisation.
H	Decrease resulted from loan repayment this quarter and Baht strengthening, as majority of loans are denominated in US dollars.
I	Positive amount of income tax derived from deferred tax assets recognition from MTR2's loss incurred in this quarter.

Segmental analysis





Mermaid Drilling continued to operate only one rig in second quarter 2008...



MTR-1 :

- Utilization was 99% for the quarter
- Current contract now expected to be completed early in July, 2009
- Discussions commenced with prospective clients for repricing



...but MTR-2 has now resumed operations



MTR 2 : Recommenced contract on April 22nd

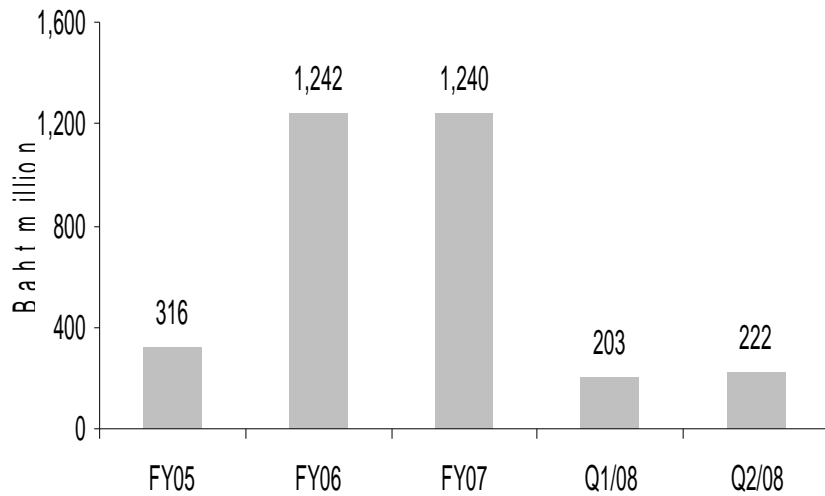
- Current contract from recommencement of work will run for 24 months
- Completed extensive refurbishment / upgrade to critical rig components



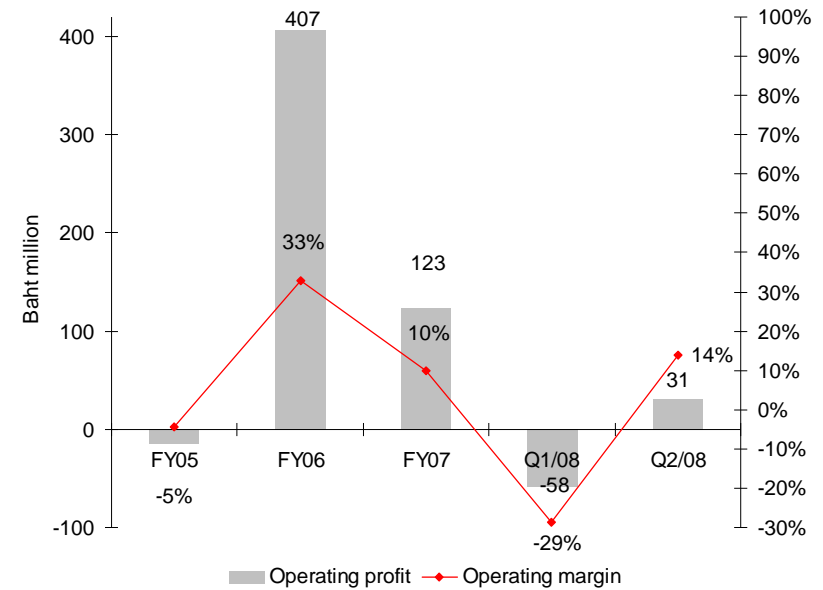
With one rig in operation, Drilling financial performance continued to lag in Q2, 2008....



Sales



Operating profit and margin



Mermaid Drilling



...although longer term prospects for Mermaid Drilling remain positive...



- 🌀 Newbuild (KM 1) project commenced and proceeding on schedule
- 🌀 Contract for KM 1 anticipated in first half 2008
- 🌀 Customer inquiries and discussions ongoing for additional newbuild rigs
- 🌀 MTR 1 repricing July, 2009 and MTR 2 in April, 2010



...and the broader market outlook for drilling services remains robust



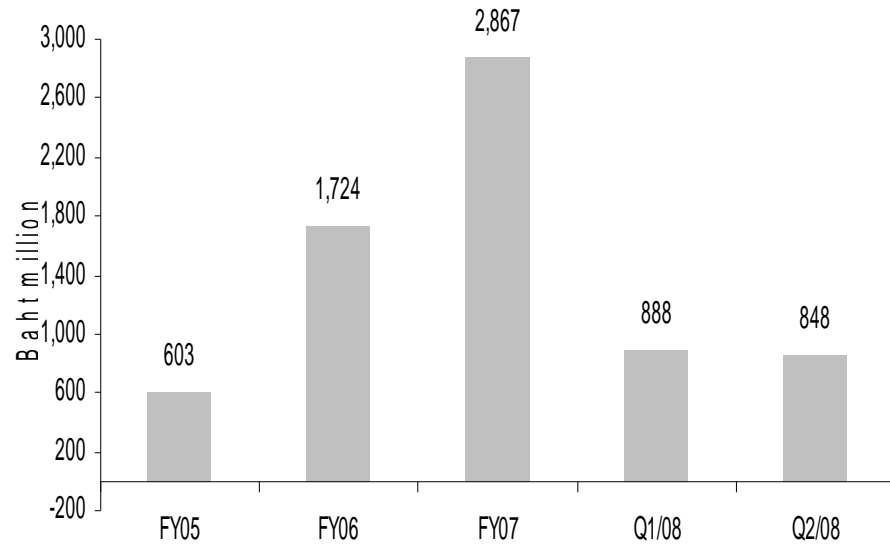
- 🚢 Tender rig utilisation remains high
- 🚢 Recent fixtures reported at dayrates exceeding US\$120K
- 🚢 Operator planned activity still identifies long term tender rig shortfall
- 🚢 Customers have already commenced discussions to secure rigs coming free in 2010 and 2011



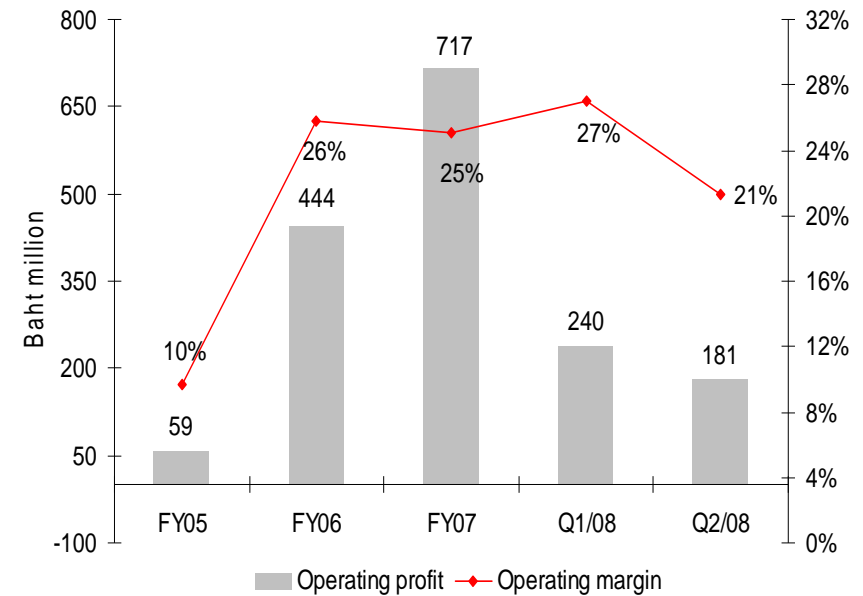
Mermaid Offshore continued its excellent performance in Q2, 2008...



Sales



Operating profit and margin



Mermaid Offshore



...with continued appreciation of day rates driven by strong client demand and limited availability of specialized vessels



- 🚢 High value contracts mark entry into Chinese market
- 🚢 Several long term contracts under review with key customers
- 🚢 Utilisation continues to remain at all time high
- 🚢 MOS standards, exemplary safety performance, and reputation ensure repeat business

Financial Ratios and Debt Repayment Schedule





Selected financial ratios



	Q2/08	Q1/08
Average receivable turnover (days)	75	74
Average payable turnover (days)	32	31
Debt to equity ratio (Times)	0.21	0.25
Net asset value per share* (Baht)	16.19	15.96
Debt to EBITDA** (Times)	1.86	1.70

* using outstanding issued shares at end of period

** equivalent to full year for comparison

Retaining financial flexibility to fund future opportunities



Debt repayment schedule



As at 31 March 2008, total outstanding long-term debt was equivalent to USD 58,199,244.

Due to repay in years (USD)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Repayment Amount	6,544,847	11,841,647	11,941,647	11,034,294	7,618,809	4,624,000	4,594,000

85% of total debt denominated in USD

Analysis of consolidated balance sheet





Consolidated balance sheets as at 31 March 2008 and 31 December 2007



Assets	31 Mar 08 Baht'000	31 Dec 07 Baht'000	Increase (Decrease)		Ref.
			Baht'000	%	
Cash & Deposits	3,796,340	4,651,061	(854,721)	-18.4%	I
Trade Debtors	970,097	899,169	70,928	7.9%	
Related Debtors	23	241	(218)	-90.5%	
Spare Parts and Inventories	130,379	122,976	7,403	6.0%	
Short-term loan to related party	30,792	-	30,792	100.0%	II
Other Current Assets	249,953	134,763	115,190	85.5%	III
Other L-T Assets	601,327	516,444	84,883	16.4%	IV
Fixed Assets and Intangible assets	5,277,010	4,967,953	309,057	6.2%	V
Total Assets	11,055,921	11,292,607	(236,686)	-2.1%	



Consolidated balance sheets as at 31 March 2008 and 31 December 2007



Liabilities	31 Mar 08 Baht'000	31 Dec 07 Baht'000	Change		Ref.
			Baht'000	%	
Trade Creditors	328,571	273,251	55,320	20.2%	
Related Creditors	520	515	5	1.0%	
S-T Debt	-	121,514	(121,514)	-100.0%	VI
Current Portion: L-T Borrowings	386,160	407,557	(21,397)	-5.3%	VII
Other Current Liabilities	110,854	195,389	(84,535)	-43.3%	VIII
Other Non-Current liabilities	4,553	3,956	597	15.1%	
L-T Borrowings	1,465,202	1,653,025	(187,823)	-11.4%	VII
Total Liabilities	2,295,860	2,655,207	(359,347)	-13.5%	



Consolidated balance sheets as at 31 March 2008 and 31 December 2007



Equity	31 Mar 08 Baht'000	31 Dec 07 Baht'000	Change		Ref.
			Baht'000	%	
Share Capital & Share premium	7,014,633	7,019,771	(5,138)	-0.1%	IX
Reserves	32,774	32,774	-	-	
Shareholders Funds	1,465,615	1,352,442	113,173	8.4%	
Difference of translation adjustment	21,529	9,622	11,907	123.7%	
Minorities	225,510	222,791	2,719	1.2%	X
Total Equity	8,760,061	8,637,400	122,661	1.4%	
Total Liabilities + Equity	11,055,921	11,292,607	(236,686)	-2.1%	



Analysis of consolidated balance sheet between 31 March 2008 and 31 December 2007 ...



I	Cash consumed for payment of asset acquisitions and SPS costs.
II	Short-term loan to an associate, Worldclass Inspiration Sdn. Bhd. ("WCI") of Baht 30.8 million, bearing interest at the rate of Libor plus 3.5% per annum. The loan is unsecured and repayable at call.
III	Significant increase from accrued insurance claim of Baht 68 million and advance for business expenses of Baht 27 million.
IV	Increase was mainly from the 2 nd payment for investment in associate company, WCI, of Baht 35.4 million and deferred tax asset of Baht 49 million.
V	Net increase from installment payment for a saturation diving system of Baht 83.5 million for Subsea Engineering group and other fixed assets totalling Baht 120.8 million; and SPS for MTR2 and drydocking costs for Mermaid Commander and Performer totalling Baht 243 million; offset by depreciation of fixed assets and amortisation of SPS/drydocking costs totalling Baht 138.3 million.
VI	During the 2 nd quarter, all short-term loans were fully settled.



Analysis of consolidated balance sheet between 31 March 2008 and 31 December 2007 ...



VII	Decreased in current portion of long-term loans and long-term loans derived from loan repayment on schedule totalling Baht 95 million; realised gain on exchange rate when repayment was transacted totaling Baht 12 million; and unrealised gain on exchange rate totaling Baht 102.5 million as almost all long-term loans are dominated in US dollars. There were no additional loans during this quarter.
VIII	Decrease resulting from payment of non-trade payable of Baht 65 million primarily for SPS and drydocking costs, decrease in deferred mobilisation revenue of Baht 7 million, and decrease in outstanding amount of VAT payable.
IX	No movement in share capital, but share premium was decreased of Baht 5.1 million from offsetting of IPO costs.
X	During the quarter, new minority interest was added, representing 20% of new subsidiary company, Seascope Surveys (Thailand) Ltd. The minority interests balance increased from cash payment for 20% share capital in said subsidiary and profit sharing during the quarter on existing minority interests.

End

