



MERMAID MARITIME PUBLIC COMPANY LIMITED
 (Registered in the Kingdom of Thailand)
 (Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Three-Month Period Ended 31 December 2007

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

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

	Consolidated		
	2007	2006	Changes
	Baht'000	Restated Baht'000	%
Service income	1,097,906	955,682	14.9%
Sales	-	706	-100.0%
Total service income and sales	1,097,906	956,388	14.8%
Cost of services	(711,875)	(749,657)	-5.0%
Cost of sales	-	(674)	-100.0%
Total cost of services and sales	(711,875)	(750,331)	-5.1%
Gross profit from services and sales	386,031	206,057	87.3%
Service and administrative expenses	(237,953)	(88,859)	167.8%
Interest income	15,133	2,677	465.3%
Gains (losses) on exchange rates	18,237	47,566	-61.7%
Net gains on disposal and write off of property, plant and equipment	514	12,557	-95.9%
Gains on disposal of investments	-	2,729	-100.0%
Other income	1,430	9,357	-84.7%
Operating profit	183,392	192,084	-4.5%
Share of profit of investments in associates	3,341	-	100.0%
Profit before interest expenses and income taxes	186,733	192,084	-2.8%
Interest expenses	(37,937)	(49,639)	-23.6%
Profit before income taxes	148,796	142,445	4.5%
Income taxes	92,495	(1,087)	-8609.2%
Profit before minorities	241,291	141,358	70.7%
(Profit) loss attributable to minorities	(1,012)	1,441	-170.2%
Net profit for the period	240,279	142,799	68.3%
Note to the statements of income			
Depreciation and amortisation expenses	131,127	128,845	



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1 (b)(i) A balance sheet (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 2007	Audited 30 September 2007	Unaudited 31 December 2007	Audited 30 September 2007
	Baht'000	Baht'000	Baht'000	Restated Baht'000
Assets				
Current assets				
Cash and cash equivalents	4,651,061	511,700	4,390,997	21,139
Trade accounts receivable - others, net	899,169	966,140	-	-
- related parties	241	260	38	56
Amounts due from related parties	-	89	99,666	107,470
Short-term loans to related parties	-	-	127,752	108,000
Supplies and spare parts	122,976	113,581	-	-
Other current assets	134,763	226,892	23,500	89,952
Total current assets	5,808,210	1,818,662	4,641,953	326,617
Non-current assets				
Investments in subsidiaries - cost method	-	-	2,302,400	1,228,824
Investments in associates - equity method	341,125	-	-	-
Property, plant, and equipment, net	4,959,632	4,011,342	219,771	237,363
Intangible assets, net	8,321	10,317	7,267	9,131
Deferred tax assets	164,174	59,606	11,915	-
Other non-current assets	11,145	45,803	569	569
Total non-current assets	5,484,397	4,127,068	2,541,922	1,475,887
Total assets	11,292,607	5,945,730	7,183,875	1,802,504



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	Consolidated		Company	
	Unaudited 31 December 2007 Baht'000	Audited 30 September 2007 Baht'000	Unaudited 31 December 2007 Baht'000	Audited 30 September 2007 Restated Baht'000
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts	-	20,274	-	-
Short-term loans from financial institutions	121,514	201,578	-	-
Trade accounts payable - others	273,251	353,796	-	-
- related parties	515	46,778	14	16
Other accounts payable	74,615	20,898	6,080	8,682
Amounts due to related parties	-	1,269	38	-
Current portion of long-term loans				
from financial institutions	401,532	406,245	24,800	24,800
Current portion of finance lease liabilities	6,025	6,010	2,506	2,584
Income taxes payable	17,296	14,154	-	-
Accrued expenses	38,548	104,446	9,527	41,826
Other current liabilities	64,930	93,330	8,408	9,109
Total current liabilities	998,226	1,268,778	51,373	87,017
Non-current liabilities				
Long-term loans from financial institutions	1,648,242	1,773,410	79,400	85,600
Finance lease liabilities	4,783	5,149	1,819	2,200
Retirement benefit obligations	3,956	3,359	1,844	1,545
Total non-current liabilities	1,656,981	1,781,918	83,063	89,345
Total liabilities	2,655,207	3,050,696	134,436	176,362
Shareholders' equity				
Share capital				
Registered share capital	674,537	674,537	674,537	674,537
Issued and fully paid up	541,205	383,205	541,205	383,205
Premium on share capital	6,478,566	1,226,352	6,478,566	1,226,352
Translation adjustments for investments in foreign subsidiaries	9,622	496	-	-
Retained earnings				
Appropriated - legal reserve	32,774	5,720	32,774	5,720
Unappropriated	1,352,442	1,139,217	(3,106)	10,865
Total parent's shareholders' equity	8,414,609	2,754,990	7,049,439	1,626,142
Minority interests	222,791	140,044	-	-
Total shareholders' equity	8,637,400	2,895,034	7,049,439	1,626,142
Total liabilities and shareholders' equity	11,292,607	5,945,730	7,183,875	1,802,504

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1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 31 December 2007		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	343,176	185,896	529,072
Amount repayable after one year	1,474,358	178,667	1,653,025

	As at 30 September 2007		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	412,255	221,852	634,107
Amount repayable after one year	1,580,922	197,637	1,778,559

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



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

	Consolidated	
	31 December 2007	31 December 2006
	Baht'000	Restated Baht'000
Cash flows from operating activities		
Net profit for period	240,279	142,799
Adjusted by:		
Depreciation	129,128	126,925
Amortisation of intangible assets	1,999	1,920
Net gains on disposal and write off of property, plant and equipment	(364)	(12,417)
Gains on disposals of investments in subsidiaries	-	(2,729)
Realised gains on exchange rate	(8,404)	(1,000)
Unrealised gains on exchange rate	(18,046)	(76,862)
Reversal of bad and doubtful accounts receivable	-	(238)
Retirement benefit obligations	597	-
Share of profits of investment in associates	(3,341)	-
Dividends received from a subsidiary	-	-
Profits (losses) attributable to minority interests	1,012	(1,441)
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)		
- Trade accounts receivable - others	66,971	102,005
- Trade accounts receivable - related parties	19	15,448
- Amounts due from related parties	89	77
- Accounts receivable from sale of vessel	-	(126,167)
- Inventories	-	650
- Supplies and spare parts	(9,395)	6,284
- Other current assets	92,129	(36,924)
- Deferred tax assets	(104,568)	(5,910)
- Other non-current assets	44,824	(9,290)
- Trade accounts payable - others	(80,545)	35,538
- Trade accounts payable - related parties	(46,263)	(8,203)
- Other accounts payable	53,717	24,493
- Amounts due to related parties	(1,269)	(800)
- Income tax payable	3,142	(1,079)
- Accrued expenses	(65,898)	40,836
- Other current liabilities	(28,400)	29,031
Net cash inflows from operating activities	267,413	242,946



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	Consolidated	
	31 December 2007	31 December 2006
	Baht'000	Restated Baht'000
Cash flows from investing activities		
Proceeds from disposal of investments in subsidiaries	-	28,898
Payments for investments in associates	(337,784)	-
Proceeds from disposals of property, plant and equipment	12,882	248,961
Purchases of property, plant, and equipment	(1,089,046)	(219,614)
Purchases of intangible assets	(4)	(184)
Net cash inflows (outflows) from investing activities	(1,413,952)	58,061
Cash flows from financing activities		
Net payments from bank overdrafts	(20,274)	(40,058)
Proceeds from short-term loans from financial institutions	41,514	72,703
Repayments on short-term loans from financial institutions	(121,578)	-
Repayments on finance lease liabilities	(1,241)	(4,548)
Proceeds from long-term loans from financial institutions	-	24,000
Repayments on long-term loans from financial institutions	(103,431)	(47,987)
Dividends paid to minorities	-	(29,140)
Payments on capital investment to minorities	(90,547)	-
Proceeds from issuance of share capital	158,000	-
Proceeds from share premium	5,252,214	-
Proceeds from issuance of share capital received from minorities	171,243	-
Net cash inflows (outflows) from financing activities	5,285,900	(25,030)
Net increase (decrease) in cash and cash equivalents	4,139,361	275,977
Cash and cash equivalents at beginning of period	511,700	185,314
Cash and cash equivalents at the end of period	4,651,061	461,291



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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 2007						
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Appropriated retained earnings- legal reserve	Unappropriated retained earnings	Minority interests	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Beginning balance as at 1 October 2007	383,205	1,226,352	496	5,720	1,139,217	140,044	2,895,034
Issued share capital	158,000	5,252,214	-	-	-	171,243	5,581,457
Return of capital investment from a subsidiary	-	-	-	-	-	(90,547)	(90,547)
Net profit for the period	-	-	-	-	240,279	1,012	241,291
Legal reserve	-	-	-	27,054	(27,054)	-	-
Translation adjustment for investments in foreign subsidiaries	-	-	9,126	-	-	1,039	10,165
Ending balance as at 31 December 2007	541,205	6,478,566	9,622	32,774	1,352,442	222,791	8,637,400

	Company 2007						
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Appropriated retained earnings- legal reserve	Unappropriated retained earnings	Total	
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
Beginning balance as at 1 October 2007	383,205	1,226,352	496	5,720	1,139,217	2,754,990	
Retrospective adjustments due to adoption of new accounting policy	-	-	(496)	-	(1,128,352)	(1,128,848)	
Beginning balance after retrospective adjustment	383,205	1,226,352	-	5,720	10,865	1,626,142	
Issued share capital	158,000	5,252,214	-	-	-	5,410,214	
Net profit for the period	-	-	-	-	13,083	13,083	
Legal reserve	-	-	-	27,054	(27,054)	-	
Ending balance as at 31 December 2007	541,205	6,478,566	-	32,774	(3,106)	7,049,439	



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	Consolidated 2006						
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Translation adjustments for investments in foreign subsidiaries Baht'000	Appropriated retained earnings- legal reserve Baht'000	Unappropriated retained earnings Baht'000	Minority interests Baht'000	Total Baht'000
	Beginning balance as at 1 October 2006	383,205	1,226,352	(4,138)	5,720	598,135	176,094
Net profit for the period	-	-	-	-	142,799	(1,441)	141,358
Dividends paid by a subsidiary	-	-	-	-	-	(29,140)	(29,140)
Translation adjustment for investments in overseas subsidiaries	-	-	2,726	-	-	173	2,899
Ending balance as at 31 December 2006	383,205	1,226,352	(1,412)	5,720	740,934	145,686	2,500,485

	Company 2006 (Restated)					
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Translation adjustments for investments in foreign subsidiaries Baht'000	Appropriated retained earnings- legal reserve Baht'000	Unappropriated retained earnings Baht'000	Total Baht'000
	Beginning balance as at 1 October 2006	383,205	1,226,352	(4,138)	5,720	598,135
Retrospective adjustments due to adoption of new accounting policy	-	-	4,138	-	(623,192)	(619,054)
Beginning balance after retrospective adjustment	383,205	1,226,352	-	5,720	(25,057)	1,590,220
Net profit for the period	-	-	-	-	45,157	45,157
Ending balance as at 31 December 2006	383,205	1,226,352	-	5,720	20,100	1,635,377



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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 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.

	<u>Number of registered shares Shares'000</u>	<u>Issued and paid-up shares Shares'000</u>	<u>Ordinary shares Baht'000</u>	<u>Premium on share capital Baht'000</u>	<u>Total Baht'000</u>
30 September 2007	674,537	383,205	383,205	1,226,352	1,609,577
Issue of shares	-	158,000	158,000	5,252,214	5,410,214
31 December 2007	<u>674,537</u>	<u>541,205</u>	<u>541,205</u>	<u>6,478,566</u>	<u>7,019,771</u>

During the three-month period that ended on 31 December 2007, the Company increased its paid-up share capital from 383,205,340 ordinary shares to 541,205,340 ordinary shares at a par value of Baht 1 per ordinary share, totalling Baht 158,000,000. The increase of paid-up share capital was from the Company's Initial Public Offering ("IPO"), which occurred on 16 October 2007. The offering price of SGD 1.56 per ordinary share was higher than the par value, increasing the premium on share capital by Baht 5,252,214,090, net of issuing costs.

As at 30 September 2007 and 31 December 2007, the registered share capital of the Company was Baht 674,537,393.

As at 30 September 2007 and 31 December 2007, the paid-up share capital of the Company was Baht 383,205,340 and Baht 541,205,340, respectively.

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

The figures have been reviewed by the Company's auditor in accordance with the standard on auditing applicable to review engagement. The financial statements presented herewith have been prepared in accordance with generally accepted accounting principles in Thailand ("Thai GAAP").

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

Please see page 1 of attached interim consolidated and Company financial statements.



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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 Group’s most recently audited annual Thai GAAP financial statements have been applied, except as described in paragraph 5 below.

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.

The amendment of Thai Accounting Standard (“TAS”) 44 (“TAS 44”) regarding “Consolidated and separate financial statements” was effective for the period beginning on or after 1 January 2007. This amendment to TAS 44 requires a change from the equity method to the cost method for investments in subsidiaries presented in the Company’s separate financial statements. Under the cost method, income from investments will be recorded when dividends are declared. This change has an impact to the Company’s separate financial statements only and does not have any impact on the consolidated financial statements. The Company has complied with this change beginning on 1 October 2007.

	Company		
	31-Dec-07 Baht’000	30-Sep-07 Baht’000	31-Dec-06 Baht’000
Balance sheets			
Decrease in investments in subsidiaries	(1,365,172)	(1,128,848)	(719,422)
Increase (decrease) in translation adjustments for investments in foreign subsidiaries	(9,623)	(496)	1,412
Decrease in beginning balance of retained earnings as at 1 October 2006	-	(623,192)	(623,192)
Decrease in beginning balance of retained earnings as at 1 October 2007	(1,128,352)	-	-
Decrease in ending balance of retained earnings	(227,197)	(505,160)	(97,642)
	Company		
	Three-month period ended 31-Dec-07 Baht’000	Twelve-month period ended 30-Sep-07 Baht’000	Three-month period ended 31-Dec-06 Baht’000
Statements of income			
Decrease in share profit of investments in subsidiaries	(227,197)	(536,803)	(133,270)
Increase in dividend income	-	30,331	30,331
Increase in gain on disposal of investments	-	1,312	5,297
	(227,197)	(505,160)	(97,642)
Decrease in earnings per share (Baht)	(0.44)	(1.32)	(0.26)



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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 reference dividends.

	Consolidated		
	For the three-month period ended 31 December		
	2007	2006	Changes
		Restated	
Basic earnings per share	Baht	Baht	%
Based on weighted average number of ordinary shares in issue	0.47	0.37	27.0%

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

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

	Consolidated		Company	
	31-Dec-07	30-Sep-07	31-Dec-07	30-Sep-07
	Baht	Baht	Baht	Baht
Net asset value per ordinary share based on the existing issued share capital as at end of respective period	15.96	7.55	13.03	4.24

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.

Overview

For the three-month period that ended on 31 December 2007, total sales and service income of the Company was Baht 1,097.91 million, an increase of Baht 141.52 million or 14.8%, from Baht 956.39 million for the three-month period that ended on 31 December 2006. The higher net profit was primarily a result of strong performance in our subsea engineering group, including higher day rates and higher utilisation of our subsea assets, which was partially offset by lower than expected contributions from our drilling group as a result of one rig still offhire completing periodic survey and other upgrades.



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Gross profit was Baht 386.03 million, an increase of Baht 179.97 million or 87.3%. This increase reflects the substantial increase in revenue generated by our subsea engineering group compared to the same period last year.

Service and administrative expenses increased 167.8% from Baht 88.86 million to Baht 237.95 million. The increase was primarily due to the reclassification of operating expenses comprising crew, overhead, and depreciation related to assets that went off-hire. One rig, MTR-2, and two vessels, Mermaid Commander and Mermaid Performer, went offhire for their dry dockings or planned upgrades. MTR-2 incurred operating costs during off-hire of Baht 118.61 million, while the vessels incurred operating costs of Baht 39.6 million. These expenses are normally included in cost of services but are reclassified during their off-hire periods. Once the assets are operational again, these expenses will be reflected in cost of services.

Operating profit was Baht 183.39 million, a decrease of Baht 8.69 million or 4.5%. The lower operating profit was a result of higher service and administrative expenses and high exchange rate gains and gains on write offs and disposals in last year's comparable period.

During this quarter, the Group recorded deferred tax assets of Baht 104.57 million, which resulted in a net positive income tax of Baht 92.50 million as presented in the statement of income. The deferred tax assets arise mainly from the losses carried forward of our drilling subsidiary, MTR-2. As the Company anticipates that there will be future taxable profits after the expiration of MTR-2's Board of Investment privileges, these future profits can be offset with the losses carried forward.

Net profit was Baht 240.28 million, including an exchange gain of Baht 18.24 million, as compared to Baht 142.80 million, including an exchange gain of Baht 47.57 million. Excluding unrealised exchange gains and tax effects, net profit increased by Baht 33.23 million or 34.5%.

Business Segment Analysis

Drilling: The drilling segment generated 18.5% and (31.7%) of the Company's total revenues and operating profits, respectively.

During the quarter, MTR-1 was under contract and working in Indonesia. Utilisation of MTR-1 for the quarter was 89%.

MTR-2 is currently offhire completing special periodic survey and additional modifications. It is now expected that MTR-2 will return to operation in late March, as completion of repairs has been delayed while awaiting certain critical electrical system components.

Subsea Engineering: The assets in our subsea engineering segment had a 86% utilisation rate during the quarter, and generated 80.9% and 130.6% of the Company's revenues and operating profits, respectively. This strong performance was a result of higher day rates, strong utilisation, and contribution from our expanding fleet.



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

Not applicable

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

The offshore rig market continues to show strength across all categories and classes of mobile offshore drilling units. Continuing increases in oil prices have reinforced demand for production drilling, the niche in which Mermaid Drilling participates. MTR-1 is presently on a long term contract with Amerada Hess through late 2008 and MTR-2 with Chevron through early 2010. While there are multiple newbuild jackup deliveries expected, a number of these units will effectively be replacing older units that will likely be retired from the market should there be any softening of demand. In addition, smaller, shallow water jackups, which are seeing some price erosion in Gulf of Mexico, cannot be economically mobilised to Asia and are not suited for water depths of many locations currently serviced by tender rigs. Accordingly, these shallow water rigs are not seen as a competitive alternative to tender rigs.

The market sentiment for tender rigs continues to see near full utilisation with new fixture day rates continuing to increase, as evidenced by two recently reported fixtures for tender rigs at US\$ 115,000 per day for 3-year contracts beginning in mid-2008. Final design criteria were completed on Mermaid's first newbuild rig, and delivery is expected in late 2009. Discussions are ongoing with major regional oil & gas companies to secure the newbuild rig on a long term contract upon delivery. It is anticipated that this contract will be secured well in advance of the actual rig delivery. Given current supply / demand situation within the region, it is probable that an option for a second rig will be exercised in 2008.

Subsea Engineering

Subsea engineering vessels continue to be in short supply throughout the region, and term contracts are being secured at near record high day rates. The Mermaid Commander and Binh Minh, recently equipped with deepwater ROV capability, have been contracted by BP Indonesia for services in the region. Mermaid Commander has also been awarded CUEL's 2008 inspection, repair, and maintenance service contract. These commitments will see this vessel fully utilised throughout 2008. The Team Siam, on completion of works with Saipem in Indonesia, is expected to mobilise for CUEL / Chevron in Gulf of Thailand. Our other vessels are presently operating on various contracts maintaining a high utilisation rate.

We also completed our minority stake shareholding in AME Malaysia. This investment further enhances MOS's capability of providing subsea engineering services through an additional vessel asset base.



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With ongoing negotiations, it is expected our utilisation levels for vessels across the fleet will be in excess of 90% for 2008.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the currency period report on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

13. 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: Revenue (in relation to revenue 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.

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.



MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

Impact

Because the functional currency of Mermaid Offshore Services Ltd., Darium Thai Offshore Ltd., MTR-1 Ltd., MTR-2 Ltd. and Mermaid Drilling (Malaysia) Sdn. Bhd. 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 income statement for the three-month period ended 31 December 2007 and 2006 and balance sheet as at 31 December 2007 and 30 September 2006 can be summarised as follows:

	Net effects on Consolidated Income Statement for the three-month that ended on 31 December 2007		
	Thai GAAP	IFRS	Increased (Decreased)
	Million Baht	Million Baht	Million Baht
Total sales and service income	1,097.91	1,097.79	(0.12)
Total cost of sales and service income	711.87	696.29	(15.58)
Service and administrative expenses	237.95	231.20	(6.75)
Operating profit (loss)	183.39	177.56	(5.83)
Net profit for period	240.28	234.38	(5.9)

	Net effects on Consolidated Income Statement for the three-month that ended on 31 December 2006		
	Thai GAAP (Restated)	IFRS	Increased (Decreased)
	Million Baht	Million Baht	Million Baht
Total sales and service income	956.39	956.39	-
Total cost of sales and service income	750.33	761.52	(11.19)
Service and administrative expenses	88.86	88.86	-
Operating profit (loss)	192.08	132.39	(59.69)
Net profit for period	142.80	83.65	(59.15)

	Net effects on Consolidated Balance Sheet as at 31 December 2007		
	Thai GAAP	IFRS	Increased (Decreased)
	Million Baht	Million Baht	Million Baht
Total current assets	5,808.21	5,810.26	2.05
Total non-current assets	5,484.40	4,757.96	(726.44)
Total current liabilities	998.23	998.96	0.73
Total non-current liabilities	1,656.98	1,649.93	(7.05)

	Net effects on Consolidated Balance Sheet as at 30 September 2007		
	Thai GAAP	IFRS	Increased (Decreased)
	Million Baht	Million Baht	Million Baht
Total current assets	1,818.66	1,810.60	(8.06)
Total non-current assets	4,127.07	3,608.32	(518.75)
Total current liabilities	1,268.78	1,263.66	(5.12)
Total non-current liabilities	1,781.92	1,781.86	(0.06)



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14. Negative assurance on interim 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 which may render the unaudited financial results for the first quarter ended 31 December 2007 of the Group and the Company to be false or misleading.

BY ORDER OF THE BOARD

M.L. Chandchutha Chandratat
Chairman of the Board of Directors
14 February 2008