



MERMAID MARITIME PUBLIC COMPANY LIMITED

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

Financial Statements and Dividend Announcement for the Three-Month and Nine-Month Periods Ended 30 June 2009

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

1(a) An income statement (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 30 June		
	2009	2008	Changes
	Baht'000	Baht'000	%
Service income	1,459,658	1,435,298	1.7%
Cost of services	(927,514)	(1,021,338)	-9.2%
Gross profits from services	532,144	413,960	28.5%
Service and administrative expenses	(114,153)	(183,430)	-37.8%
Interest income	1,644	4,663	-64.7%
Gains (losses) on exchange rates	(35,726)	225,816	-115.8%
Net gains (losses) on disposals and write-off of property, plant and equipment and intangible assets	400	(4,597)	-108.7%
Other income	6,894	1,772	289.1%
Operating profits	391,203	458,184	-14.6%
Share of profits of investments	154	10,124	-98.5%
Profits before interest expenses and income taxes	391,357	468,308	-16.4%
Interest expenses	(17,483)	(26,794)	-34.8%
Profits before income taxes	373,874	441,514	-15.3%
Income taxes	(44,592)	14,580	-405.8%
Net profits for the period	329,282	456,094	-27.8%
Attributable to:			
Shareholders of the parent	317,221	457,961	
Minority interests	12,061	(1,867)	
	329,282	456,094	
Notes to the income statements			
Depreciation and amortisation	142,082	165,881	



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	Consolidated		
	For the nine-month periods that ended on 30 June		
	2009	2008	Changes
	Baht'000	Baht'000	%
Service income	3,993,363	3,608,254	10.7%
Cost of services	(2,880,114)	(2,467,603)	16.7%
Gross profits from services	1,113,249	1,140,651	-2.4%
Service and administrative expenses	(358,450)	(717,406)	-50.0%
Interest income	16,018	23,105	-30.7%
Gains (losses) on exchange rates	(17,962)	227,976	-107.9%
Net gains (losses) on disposals and write-off of property, plant and equipment and intangible assets	20,597	(3,317)	-721.0%
Other income	19,013	73,323	-74.1%
Operating profits	792,465	744,332	6.5%
Share of profits (losses) of investments	(15,707)	20,893	-175.2%
Profits before interest expenses and income taxes	776,758	765,225	1.5%
Interest expenses	(69,528)	(95,520)	-27.2%
Profits before income taxes	707,230	669,705	5.6%
Income taxes	(118,986)	141,567	-184.0%
Net profits for the period	588,244	811,272	-27.5%
Attributable to:			
Shareholders of the parent	565,611	811,413	
Minority interests	22,633	(141)	
	588,244	811,272	
Notes to the income statements			
Depreciation and amortisation	417,543	435,325	



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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 30 June 2009 Baht'000	Audited 30 September 2008 Baht'000	Unaudited 30 June 2009 Baht'000	Audited 30 September 2008 Baht'000
Assets				
Current assets				
Cash and cash equivalents	1,641,121	1,726,430	754,578	1,141,842
Trade accounts receivable - others, net	1,191,361	1,461,783	-	-
Trade accounts receivable - related parties	116	152	-	-
Amounts due from related parties	1,522	14,252	490,709	275,692
Short-term loans to related parties	-	1,147,989	822,561	2,080,811
Supplies and spare parts	110,498	147,515	-	-
Other current assets	113,636	358,112	14,438	16,955
Total current assets	3,058,254	4,856,233	2,082,286	3,515,300
Non-current assets				
Investments in subsidiaries - cost method	-	-	4,979,524	3,543,392
Investments in associates - equity method	389,589	405,296	-	-
Long-term investment - other	77,697	-	-	-
Property, plant and equipment, net	9,368,875	7,492,276	194,516	208,054
Goodwill	268,194	180,898	-	-
Intangible assets, net	16,143	16,942	1,123	4,097
Deferred tax assets	194,919	213,605	-	-
Other non-current assets	142,071	14,352	569	569
Total non-current assets	10,457,488	8,323,369	5,175,732	3,756,112
Total assets	13,515,742	13,179,602	7,258,018	7,271,412
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable - others	195,016	327,150	-	-
Trade accounts payable - related parties	7,628	-	-	-
Other accounts payable	310,053	952,140	2,339	2,312
Amounts due to related parties	14	51	51	17
Current portion of long-term loans from financial institutions	419,089	416,570	24,800	24,800
Current portion of finance lease liabilities	2,802	4,587	1,043	1,845
Income taxes payable	51,957	20,210	-	-
Accrued expenses	197,871	74,813	1,603	606
Other current liabilities	41,816	176,926	7,930	10,865
Total current liabilities	1,226,246	1,972,447	37,766	40,445
Non-current liabilities				
Long-term loans from financial institutions	1,730,062	1,521,857	48,400	60,800
Finance lease liabilities	4,343	5,983	-	659
Retirement benefit obligations	10,442	5,373	2,736	2,065
Total non-current liabilities	1,744,847	1,533,213	51,136	63,524
Total liabilities	2,971,093	3,505,660	88,902	103,969
Shareholders' equity				
Share capital				
Registered share capital	544,903	674,537	544,903	674,537
Issued and fully paid-up	541,205	541,205	541,205	541,205
Premium on share capital	6,470,791	6,470,791	6,470,791	6,470,791
Translation adjustments for investments in foreign subsidiaries	(9,227)	(24,536)	-	-
Retained earnings				
Appropriated - legal reserve	39,717	39,717	39,717	39,717
Unappropriated	2,827,122	2,261,511	117,403	115,730
Total parent's shareholders' equity	9,869,608	9,288,688	7,169,116	7,167,443
Minority interests	675,041	385,254	-	-
Total shareholders' equity	10,544,649	9,673,942	7,169,116	7,167,443
Total liabilities and shareholders' equity	13,515,742	13,179,602	7,258,018	7,271,412



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- 1 (b)(ii) Aggregate amount of group's borrowings and debt securities:-**
- (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 30 June 2009		
	Secured	Unsecured	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	221,302	200,589	421,891
Amount repayable after one year (*)	805,710	928,695	1,734,405

	As at 30 September 2008		
	Secured	Unsecured	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	308,554	112,603	421,157
Amount repayable after one year (*)	1,221,487	306,353	1,527,840

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

As at 30 June 2009, one land with building, one saturation diving system, one remotely operated vehicle (ROV), and two tender rigs were mortgaged with various banks as collateral for the group's borrowings and debt securities. For more details, please read the notes to the interim consolidated and Company financial statements for the period that ended on 30 June 2009, which are available in the SGX's website or the Company's website.



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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	
	For the nine-month periods that ended 30 June	
	2009	2008
	Baht'000	Baht'000
Cash flows from operating activities		
Profits before income taxes	707,230	669,705
Adjustments for:		
Depreciation	411,136	429,648
Amortisation of intangible assets	6,407	5,677
Interest expenses	69,528	95,520
Net (gains) losses on disposals and write-off of property, plant and equipment and intangible assets	(20,597)	3,317
Realised (gains) on exchange rates	(30,957)	(32,487)
Unrealised (gains) losses on exchange rates	54,918	(160,204)
Retirement benefit obligations	5,069	4,812
Share of (profits) losses of investment in associates	15,707	(20,893)
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)		
- Trade accounts receivable - others	291,410	(297,574)
- Trade accounts receivable - related parties	36	76
- Amounts due from related parties	12,730	(5,333)
- Supplies and spare parts	37,017	(62,697)
- Other current assets	268,059	41,519
- Other non-current assets	(127,719)	(120,791)
- Trade accounts payable - others	(132,134)	(5,868)
- Trade accounts payable - related parties	7,628	(46,778)
- Other accounts payable	190,477	29,928
- Amounts due to related parties	(37)	(1,269)
- Accrued expenses	121,662	(65,690)
- Other current liabilities	(105,806)	(31,849)
Cash generated from operations	1,781,764	428,769
- Interest paid	(68,132)	(95,771)
- Income taxes paid	(97,855)	(41,130)
Net cash inflows from operating activities	1,615,777	291,868



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	Consolidated	
	For the nine-month periods that ended 30 June	
	2009	2008
	Baht'000	Baht'000
Cash flows from investing activities		
Repayment of short-term loans to related parties	1,140,394	-
Short-term loans provided to related parties	-	(32,149)
Payments for investments in subsidiaries	(87,296)	(202,784)
Payments for investments in associates	-	(373,157)
Payment for long-term investment - other	(77,697)	-
Proceeds from disposals of property, plant and equipment and intangible assets	31,134	15,937
Purchases of property, plant, and equipment	(3,130,852)	(2,080,122)
Purchases of intangible assets	(7,299)	(5,983)
Net cash outflows from investing activities	(2,131,616)	(2,678,258)
Cash flows from financing activities		
Net payments for bank overdrafts	-	(20,274)
Proceeds from short-term loans from financial institutions	-	41,514
Repayments of short-term loans from financial institutions	-	(243,092)
Repayments of finance lease liabilities	(3,372)	(4,105)
Proceeds from long-term loans from financial institutions	841,327	-
Repayments of long-term loans from financial institutions	(643,098)	(298,018)
Payments for capital investment to minorities	-	(90,547)
Proceeds from issuance of share capital	-	158,000
Proceeds from share premium	-	5,247,076
Proceeds from issuance of share capital received from minorities	260,534	172,568
Net cash inflows from financing activities	455,391	4,963,122
Net increase (decrease) in cash and cash equivalents	(60,448)	2,576,732
Cash and cash equivalents at beginning of period	1,726,430	511,700
Effects of exchange rates	(24,861)	149,450
Cash and cash equivalents at the end of period	1,641,121	3,237,882



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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 2009						Unit : Baht' 000
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Minority interests	Total
	Beginning balance as at 1 October 2008	541,205	6,470,791	(24,536)	39,717	2,261,511	385,254
Issued share capital in subsidiary	-	-	-	-	-	260,534	260,534
Net profits for the period	-	-	-	-	565,611	22,633	588,244
Translation adjustments for investments in foreign subsidiaries	-	-	15,309	-	-	6,620	21,929
Ending balance as at 30 June 2009	541,205	6,470,791	(9,227)	39,717	2,827,122	675,041	10,544,649

	Company 2009				Unit : Baht' 000
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated retained earnings	Total
	Beginning balance as at 1 October 2008	541,205	6,470,791	39,717	115,730
Net profits for the period	-	-	-	1,673	1,673
Ending balance as at 30 June 2009	541,205	6,470,791	39,717	117,403	7,169,116



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	Consolidated 2008						Unit : Baht'000
	Issued and	Premium on	Translation		Unappropriated	Minority	Total
	paid-up	share capital	adjustments	Legal reserve	retained	interests	
share capital	share capital	for investments in	foreign subsidiaries	earnings			
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	5,247,076	-	-	-	172,568	5,577,644
Return of capital investment from a subsidiary	-	-	-	-	-	(90,547)	(90,547)
Effect of additional investment in subsidiaries	-	-	-	-	-	11,830	11,830
Net profits for the period	-	-	-	-	811,413	(141)	811,272
Legal reserve	-	-	-	27,054	(27,054)	-	-
Translation adjustments for investments in foreign subsidiaries	-	-	1,284	-	-	1,402	2,686
Ending balance as at 30 June 2008	541,205	6,473,428	1,780	32,774	1,923,576	235,156	9,207,919

	Company 2008				Unit : Baht'000
	Issued and	Premium		Unappropriated	Total
	paid-up	on share capital	Legal reserve	retained	
share capital	on share capital	earnings (deficit)			
Beginning balance as at 1 October 2007	383,205	1,226,352	5,720	10,865	1,626,142
Issued share capital	158,000	5,247,076	-	-	5,405,076
Net profits for the period	-	-	-	198,734	198,734
Legal reserve	-	-	27,054	(27,054)	-
Ending balance as at 30 June 2008	541,205	6,473,428	32,774	182,545	7,229,952



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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.

There was no change in registered share capital during the three-month period that ended on 30 June 2009 and 2008.

There was no transaction of treasury shares during the three-month periods that ended on 30 June 2009 and 30 June 2008.

As at 30 June 2009 and 30 June 2008, the registered share capital of the Company was Baht 544,903,340 and Baht 674,537,393, respectively.

As at 30 June 2009 and 30 June 2008, the paid-up share capital of the Company was Baht 541,205,340.

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 30 June 2009 and 30 September 2008, the Company's issued shares were 541,205,340 shares with a par value of Baht 1 per share.

As at 30 June 2009 and 30 September 2008, 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 three-month period that ended on 30 June 2009.

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, PricewaterhouseCoopers ABAS Limited, in accordance with generally accepted auditing standards applicable in Thailand ("Thai GAAP") except for item 13 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS" which is provided by the Company.



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

The signed auditor's report is on page 1 of the interim consolidated and Company financial statements for the three-month and nine-month periods that ended on 30 June 2009, 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 Group's most recently audited annual Thai GAAP financial statements have been applied.

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.

There is no change in the accounting policies and methods of computation during the three-month period that ended on 30 June 2009.



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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).

	For the three-month periods that ended on 30 June			
	Consolidated		Company	
	2009	2008	2009	2008
Weighted average number of ordinary shares (Shares'000)	541,205	541,205	541,205	541,205
Effect of dilutive potential ordinary shares Employee Shares Option Plan (Shares'000)	73	-	73	-
Weighted average number of ordinary shares for diluted earnings (Shares'000)	<u>541,278</u>	<u>541,205</u>	<u>541,278</u>	<u>541,205</u>
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	317,221	457,961	(38,483)	260,508
Basic earnings (losses) per share (Baht)	0.59	0.85	(0.07)	0.48
Diluted earnings (losses) per share (Baht)	0.59	0.85	(0.07)	0.48

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2009	2008	2009	2008
Weighted average number of ordinary shares (Shares'000)	541,205	531,669	541,205	531,669
Effect of dilutive potential ordinary shares Employee Shares Option Plan (Shares'000)	45	-	45	-
Weighted average number of ordinary shares for diluted earnings (Shares'000)	<u>541,250</u>	<u>531,669</u>	<u>541,250</u>	<u>531,669</u>
Net profit for the period attributable to ordinary shareholders (Baht'000)	565,611	811,413	1,673	198,734
Basic earnings per share (Baht)	1.045	1.526	0.003	0.374
Diluted earnings per share (Baht)	1.045	1.526	0.003	0.374



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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	
30-Jun-09	30-Sep-08	30-Jun-09	30-Sep-08
Baht	Baht	Baht	Baht

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective period

19.48	17.87	13.25	13.24
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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 30 June 2009 ("2009 Third Quarter"), total service income of the Group was Baht 1,459.7 million, an increase of Baht 24.4 million, or 1.7%, from Baht 1,435.3 million for the three-month period that ended on 30 June 2008 ("2008 Third Quarter"). The higher revenues were a result of 1) strong performance by the drilling group with 99.1% asset utilisation, including higher day rates on one drilling rig, which resulted in revenues of Baht 229.6 million, or a 60.9% increase from the 2008 Third Quarter, offset by 2) lower asset utilisation in our subsea engineering group, which resulted in revenues of Baht 183.1 million, or a 18.3% decrease from the 2008 Third Quarter.

For the 2009 Third Quarter, gross profits were Baht 532.1 million, an increase of Baht 118.1 million, or 28.5%, from Baht 414.0 million for the 2008 Third Quarter. The drilling group generated Baht 293.8 million of gross profits (48.4% margin), while the subsea engineering group generated Baht 213.4 million of gross profits (26.1% margin). These gross margin levels are within our internal performance targets.

Service and administrative expenses were Baht 114.2 million, a decrease of Baht 69.2 million, or 37.7%, from Baht 183.4 million for the 2008 Third Quarter. The decrease was primarily due to the reclassification of operating expenses from cost of services to service and administrative expenses in the same period last year, comprising crew, overhead, and depreciation related to assets that went off-hire of Baht 64.9 million. Without these reclassified expenses, service and administrative expenses in this quarter decreased by Baht 4.3 million, or 3.6 % from the same period last year, which was due to various cost control measures throughout this financial year.



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Operating profits were Baht 391.2 million, a decrease of Baht 67.0 million, or 14.6%, from Baht 458.2 million for the 2008 Third Quarter. The lower operating profits were a result of loss on exchange rates of Baht 35.7 million (86.1% unrealised) in the 2009 Third Quarter versus a gain on exchange rates of Baht 225.8 million (98.1% unrealised) in the 2008 Third Quarter. Excluding exchange gains/losses, operating profits increased by Baht 194.6 million, or 83.7%, which was due to higher utilisation of MTR-2 (100%) and the higher average day rate in the drilling group as compared with the same period last year. The subsea engineering group improved substantially in the 2009 Third Quarter, as clients resumed their inspection, repair, and maintenance activities once oil prices stabilised. The subsea engineering had 64.1% utilisation rate in the 2009 Third Quarter versus 30.0% utilisation rate one quarter ago.

Net profits for the 2009 Third Quarter were Baht 329.3 million, including an exchange loss of Baht 35.7 million, as compared to a net profit for the 2008 Third Quarter of Baht 456.1 million, including an exchange gain of Baht 225.8 million. Excluding exchange gains/losses and income taxes, net profits increased by Baht 193.9 million, or 89.9%, which was due to an increase in operating profits as mentioned above.

Business Segment Analysis

Drilling: The drilling segment generated 41.6% and 70.1% (*) of the Group's total revenues and operating profit, respectively.

During the quarter, MTR-1 was under contract with Hess and working in Indonesia. MTR-2 was under contract with Chevron (Indonesia) and working in Indonesia. Average utilisation of MTR-1 and MTR-2 for the quarter was 99.1%.

Subsea Engineering: The assets in our subsea engineering segment had a 64.1% utilisation rate during the quarter and generated 56.0% and 41.0% (*) of the Group's total revenues and operating profit, respectively. While asset utilisation is lower than one year ago, average day rates remain high.

(*) Operating profit calculations include foreign exchange gains and losses.

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 tender rig market activity level during this quarter remains the same as last quarter. Across the global tender rig fleet we still experience a high utilisation rate. Some oil and gas companies have cancelled or postponed planned activity although we have not experienced any of our own direct contracts coming under threat. On the other hand, several key oil and gas companies are already discussing their future needs with us in order to ascertain rig availability and technical suitability to meet their project needs. This is an encouraging sign and bodes well for future contracts. We fully expect to see the tendering requests activity increase significantly as oil and gas companies seek to secure rigs for their future programmes. Previously, we had observed some slight downward pressure on day rates across the fleet due to additional rig availability, oil price volatility and delivery of new builds, some of which have no contract. We believe these reductions have reached the floor (bottomed out) and would expect to see new contracts awarded equivalent at today's market rate and future contracts will see an increased rate. Older rigs continue to be in demand but may face increasing competition from available newer rigs.

Our tender rig 'MTR-1' is presently on a contract extension with Hess Indonesia through Q3 CY2009. We are in discussion with potential customers to contract the rig although nothing has been confirmed at this time. Our other tender rig 'MTR-2' is presently on a contract with Chevron Indonesia through Q2 CY2010. Our newbuild tender rig 'KM-1' is proceeding at Kencana's Lumut yard in Malaysia and we believe will be delivered as per schedule in late CY2009. The rig was launched from its land location and entered the water on 27 July 2009, and it is now alongside the quay where the final works will be completed. This rig has been awarded a five-year primary term contract by Petronas in Malaysia with options at a potential contract value of approximately USD 235 million. Discussions are still ongoing with clients for a potential second new build rig.

Subsea Engineering

During the previous quarter we experienced a drop in activity levels due to three primary reasons:-

- 1 Vessels withdrawn from the market for planned maintenance;
- 2 One vessel strategically relocated to develop business opportunities outside Southeast Asia; and
- 3 Several oil and gas companies reviewing their internal budgets, which has delayed some contract awards.

Towards the end of the previous quarter we could easily observe a surge in requests for vessel availability as many oil and gas companies began to re-activate the work programmes and projects that had been delayed. During the last few months, we have experienced a vast amount of tendering activity and many projects being awarded on a one to one basis. During this quarter, we have seen utilisation levels increase vis-a-vis the first two quarters and expect this renewed utilisation to continue for the foreseeable future. Many of our existing customers have commenced discussions with us related to longer



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term relationships to ensure access to our assets. The overall impact on project and charter rates have been minimal. The subsea sector in general is not experiencing downward pressure on day rates and in some cases we have witnessed marginal day rate increases for the more technical vessels. We have successfully entered the subsea market in the Middle East where we are performing construction support, sat diving, ROV and survey services and completed a subsea project with one of our DP2 DSVs in Brazil. During this quarter, we have also completed a project where we contracted one of our 3000 metre work class ROV's in the UKCS (North Sea). We continue to service a long term ROV / Survey contract in Indonesia.

Our two newbuild DP2 DSVs are presently under construction and due for delivery Q3 CY2009 and Q4 CY2009.

Our newbuild DP2 ROV vessel is scheduled for delivery Q4 CY2009.

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. 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 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. 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 statements for nine-month periods that ended on 30 June 2009 and 2008 and balance sheets as at 30 June 2009 and 30 September 2008 can be summarised as follows:

	Net effects on Consolidated Income Statement for the nine-month that ended on 30 June 2009		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	3,993.36	3,993.36	-
Total cost of services	2,880.11	2,880.11	-
Service and administrative expenses	358.45	358.42	(0.03)
Operating profits	792.46	777.88	(14.58)
Net profits for period	588.24	573.66	(14.58)

	Net effects on Consolidated Income Statement for the nine-month that ended on 30 June 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	3,608.25	3,608.26	0.01
Total cost of services	2,467.60	2,253.97	(213.63)
Service and administrative expenses	717.41	628.09	(89.32)
Operating profits	744.33	689.96	(54.37)
Net profits for period	811.27	756.90	(54.37)



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	Net effects on Consolidated Balance Sheet as at 30 June 2009		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,058.25	3,047.16	(11.09)
Total non-current assets	10,457.49	10,496.64	39.15
Total current liabilities	1,226.25	1,289.04	62.79
Total non-current liabilities	1,744.85	1,732.21	(12.64)

	Net effects on Consolidated Balance Sheet as at 30 September 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	4,856.23	4,808.48	(47.75)
Total non-current assets	8,323.37	8,166.21	(157.16)
Total current liabilities	1,972.45	2,029.97	57.52
Total non-current liabilities	1,533.21	1,572.46	39.25

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 third quarter that ended on 30 June 2009 of the Group and the Company to be false or misleading.

BY ORDER OF THE BOARD

M.L. Chandchutha Chandratat
Executive Chairman
14 August 2009