



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 2008

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		
	Three-month periods that ended on 30 June		
	2008	2007	Changes
	Baht'000	Restated Baht'000	%
Service income	1,435,298	1,186,143	21.0%
Cost of services	(1,021,338)	(874,554)	16.8%
Gross profit from services	413,960	311,589	32.9%
Service and administrative expenses	(183,430)	(73,653)	149.0%
Interest income	4,663	7,539	-38.1%
Gains on exchange rates	225,816	14,317	1477.3%
Net gains (losses) on disposal and write off of property, plant, and equipment	(4,597)	(24,442)	-81.2%
Other income	1,772	16,784	-89.4%
Operating profit	458,184	252,134	81.7%
Share of profits of investments in associates - equity	10,124	-	100.0%
Profit before interest expenses and income taxes	468,308	252,134	85.7%
Interest expenses	(26,794)	(41,629)	-35.6%
Profit before income taxes	441,514	210,505	109.7%
Income taxes	14,580	945	1442.9%
Net profit for the period	456,094	211,450	115.7%
Attributable to:			
Shareholders of the parent	457,961	209,873	
Minority interests	(1,867)	1,577	
	456,094	211,450	
Note to the Statements of Income			
Depreciation and amortisation expenses	165,881	125,305	



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	Consolidated		
	Nine-month periods that ended on 30 June		
	2008	2007	Changes
	Baht'000	Restated Baht'000	%
Service income	3,608,254	3,124,258	15.5%
Sales	-	964	-100.0%
Total service income and sales	3,608,254	3,125,222	15.5%
Cost of services	(2,467,603)	(2,303,319)	7.1%
Cost of sales	-	(932)	-100.0%
Total cost of services and sales	(2,467,603)	(2,304,251)	7.1%
Gross profit from services and sales	1,140,651	820,971	38.9%
Service and administrative expenses	(717,406)	(251,390)	185.4%
Interest income	23,105	10,308	124.1%
Gains on exchange rates	227,976	95,697	138.2%
Net gains (losses) on disposal and write off of property, plant, and equipment	(3,317)	(11,630)	-71.5%
Gains on disposal of investments	-	2,729	-100.0%
Other income	73,323	71,000	3.3%
Operating profit	744,332	737,685	0.9%
Share of profits of investments in associates - equity	20,893	-	100.0%
Profit before interest expenses and income taxes	765,225	737,685	3.7%
Interest expenses	(95,520)	(136,041)	-29.8%
Profit before income taxes	669,705	601,644	11.3%
Income taxes	141,567	(4,999)	-2931.9%
Net profit for the period	811,272	596,645	36.0%
Attributable to:			
Shareholders of the parent	811,413	592,588	
Minority interests	(141)	4,057	
Net profit for period	811,272	596,645	
Note to the Statements of Income			
Depreciation and amortisation expenses	435,325	379,321	



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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 2008	Audited 30 September 2007	Unaudited 30 June 2008	Audited 30 September 2007
	Baht'000	Baht'000	Baht'000	Restated Baht'000
Assets				
Current assets				
Cash and cash equivalents	3,237,882	511,700	3,044,222	21,139
Trade accounts receivable - others, net	1,315,956	966,140	-	-
- related parties	184	260	-	56
Amounts due from related parties	5,422	89	105,457	107,470
Short-term loans to related parties	32,149	-	945,505	108,000
Supplies and spare parts	176,278	113,581	-	-
Other current assets	198,307	226,892	17,828	89,952
Total current assets	4,966,178	1,818,662	4,113,012	326,617
Non-current assets				
Investments in subsidiaries - cost method	-	-	3,000,297	1,228,824
Investments in associates - equity method	394,050	-	-	-
Property, plant, and equipment, net	5,658,144	4,011,342	210,119	237,363
Goodwill	180,898	-	-	-
Intangible assets, net	10,621	10,317	5,736	9,131
Deferred tax assets	241,332	59,606	12,487	-
Other non-current assets	167,518	45,803	569	569
Total non-current assets	6,652,563	4,127,068	3,229,208	1,475,887
Total assets	11,618,741	5,945,730	7,342,220	1,802,504
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts	-	20,274	-	-
Short-term loans from financial institutions	-	201,578	-	-
Trade accounts payable - others	367,636	353,796	-	-
- related parties	-	46,778	-	16
Other accounts payable	54,390	20,898	3,957	8,682
Amounts due to related parties	-	1,269	21	-
Current portion of long-term loans from financial institutions	399,401	406,245	24,800	24,800
Current portion of finance lease liabilities	5,827	6,010	2,477	2,584
Income taxes payable	14,360	14,154	-	-
Accrued expenses	51,897	104,446	1,257	41,826
Other current liabilities	65,951	93,330	9,225	9,109
Total current liabilities	959,462	1,268,778	41,737	87,017
Non-current liabilities				
Long-term loans from financial institutions	1,438,994	1,773,410	67,000	85,600
Finance lease liabilities	4,195	5,149	888	2,200
Retirement benefit obligations	8,171	3,359	2,643	1,545
Total non-current liabilities	1,451,360	1,781,918	70,531	89,345
Total liabilities	2,410,822	3,050,696	112,268	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	6,473,428	1,226,352	6,473,428	1,226,352
Translation adjustments for investments in foreign subsidiaries	1,780	496	-	-
Retained earnings				
Appropriated - legal reserve	32,774	5,720	32,774	5,720
Unappropriated	1,923,576	1,139,217	182,545	10,865
Total parent's shareholders' equity	8,972,763	2,754,990	7,229,952	1,626,142
Minority interests	235,156	140,044	-	-
Total shareholders' equity	9,207,919	2,895,034	7,229,952	1,626,142
Total liabilities and shareholders' equity	11,618,741	5,945,730	7,342,220	1,802,504

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

	As at 30 June 2008		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	293,812	111,415	405,228
Amount repayable after one year	1,202,764	240,425	1,443,189

	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	
	2008	2007
	Baht'000	Restated Baht'000
Cash flows from operating activities		
Profit before income taxes	669,705	601,644
Adjustments for:		
Depreciation	429,648	373,401
Amortisation of intangible assets	5,677	5,920
Interest expenses	95,520	136,041
Net gains (losses) on disposal and write off of property, plant, and equipment	3,317	11,630
Gains on disposals of investments in subsidiaries	-	(2,729)
Realised gains on exchange rates	(32,487)	(6,560)
Unrealised gains on exchange rates	(160,204)	(160,386)
Reversals of bad and doubtful accounts receivable	-	3,112
Retirement benefit obligations	4,812	(1,994)
Share of profit of investment in associates	(20,893)	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)		
- Trade accounts receivable - others	(297,574)	108,330
- Trade accounts receivable - related parties	76	15,047
- Amounts due from related parties	(5,333)	(615)
- Inventories	-	865
- Supplies and spare parts	(62,697)	(6,080)
- Other current assets	41,519	(127,291)
- Other non-current assets	(120,791)	(6,852)
- Trade accounts payable - others	(5,868)	(14,913)
- Trade accounts payable - related parties	(46,778)	(6,971)
- Other accounts payable	29,928	11,255
- Amounts due to related parties	(1,269)	(801)
- Accrued expenses	(65,690)	91,890
- Other current liabilities	(31,849)	29,973
Cash generated from operations	428,769	1,053,916
- Interest paid	(95,771)	(135,838)
- Income taxes paid	(41,130)	(25,119)
Net cash inflows from operating activities	291,868	892,959



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	Consolidated	
	2008	2007
	Baht'000	Restated Baht'000
Cash flows from investing activities		
Short-term loans provided to related party	(32,149)	-
Proceeds from disposal of investments in subsidiaries		30,899
Payments for investments in subsidiaries	(202,784)	-
Payments for investments in associates	(373,157)	-
Proceeds from disposals of property, plant, and equipment	15,937	254,144
Purchases of property, plant and equipment	(2,080,122)	(464,388)
Purchases of intangible assets	(5,983)	(1,751)
Net cash inflows (outflows) from investing activities	(2,678,258)	(181,096)
Cash flows from financing activities		
Net payments from bank overdrafts	(20,274)	(40,058)
Proceeds from short-term loans from financial institutions	41,514	72,704
Repayments on short-term loans from financial institutions	(243,092)	(160,000)
Repayments on finance lease liabilities	(4,105)	(7,076)
Proceeds from long-term loans from financial institutions	-	115,340
Repayments on long-term loans from financial institutions	(298,018)	(181,110)
Dividends paid to minorities	-	(29,141)
Payments on 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	172,568	-
Net cash inflows (outflows) from financing activities	4,963,122	(229,341)
Net increase in cash and cash equivalents	2,576,732	482,522
Cash and cash equivalents at beginning of period	511,700	185,314
Effects of exchange rate changes	149,450	-
Cash and cash equivalents at the end of period	3,237,882	667,836



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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 2008						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 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 investments 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 paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Total	
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 adjustments	383,205	1,226,352	-	5,720	10,865	1,626,142	
Issued share capital	158,000	5,247,076	-	-	-	5,405,076	
Net profit 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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	Consolidated 2007 (Restated)					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 2006	383,205	1,226,352	(4,138)	5,720	598,135	176,094	2,385,368
Net profit for the period	-	-	-	-	592,588	4,057	596,645
Dividends paid by a subsidiary	-	-	-	-	-	(29,141)	(29,141)
Translation adjustments for investments in foreign subsidiaries	-	-	11,929	-	-	887	12,816
Ending balance as at 30 June 2007	383,205	1,226,352	7,791	5,720	1,190,723	151,897	2,965,688

	Company 2007 (Restated)					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	Total	
Beginning balance as at 1 October 2006	383,205	1,226,352	(4,138)	5,720	598,135	2,209,274	
Retrospective adjustments due to adoption of new accounting policy	-	-	4,138	-	(623,192)	(619,054)	
Beginning balance after retrospective adjustments	383,205	1,226,352	-	5,720	(25,057)	1,590,220	
Net profit for the period	-	-	-	-	56,239	56,239	
Ending balance as at 30 June 2007	383,205	1,226,352	-	5,720	31,182	1,646,459	



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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 share 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 share capital during the three-month periods that ended on 30 June 2008 and 2007.

As mentioned in the previous announcement, during the first quarter 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.

There was no transaction of treasury shares during the three-month and nine-month periods that ended on 30 June 2008 and 2007.

As at 30 September 2007 and 30 June 2008, the registered share capital of the Company was Baht 674,537,393.

As at 30 September 2007 and 30 June 2008, the paid-up share capital of the Company was Baht 383,205,340 and Baht 541,205,340, respectively.

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

As at 30 June 2007, the Company's issued shares were 38,320,534 shares with a par value of Baht 10 per share. On 2 August 2007, the Company did a share split, where the par value went from Baht 10 per ordinary share to Baht 1 per ordinary share. This resulted in an increase in the number of shares from 38,320,534 shares to 383,205,340 shares as at 30 September 2007.

As at 30 June 2008 and 2007, there were no outstanding treasury shares.

1 (d)(iv) 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 30 June 2008.



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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 engagements. The consolidated and Company 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 the interim consolidated and Company financial statements.

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.

(1) The amendment of Thai Accounting Standard

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.

(2) The adoption of new accounting standards

The Group has adopted the following accounting standards for the first time in the financial statements for the year that ended on 30 September 2007.

- (2.1) IAS 12 : Income taxes
- (2.2) IAS 16 : Property, plant and equipment
- (2.3) IAS 19 : Employee benefits
- (2.4) Revenue recognition of mobilisation fees

For comparative purposes, these standards have been applied retrospectively to the financial statements for the period that ended on 30 June 2007.



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Early adoption of new accounting standards

During the first quarter of 2008, the Group's management chose to adopt earlier than required TAS 43 (as amended in 2007) "Business Combination" and TAS 51 (as amended in 2007) "Intangible Assets". Under the standards, the indefinite life intangible asset will not be amortised and instead, an impairment review will be conducted, if there is any indication. If the carrying value of the intangible asset is less than its recoverable amount, an impairment loss will be charged to the statement of income.

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 30 June		
	2008	2007	Changes
Basic earnings per share	Baht	Restated Baht	%
Based on weighted average number of ordinary shares in issue	0.85	0.55(*)	54.5%

	Consolidated		
	For the nine-month period ended 30 June		
	2008	2007	Changes
Basic earnings per share	Baht	Restated Baht	%
Based on weighted average number of ordinary shares in issue	1.53	1.55(*)	(1.3%)

(*) based on post share-split as mentioned in item 1(d)(iii).

There are no potential dilutive ordinary shares in issue during the periods that ended on 30 June 2008 and 2007.



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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-08	30-Sep-07	30-Jun-08	30-Sep-07
	Restated		Restated
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

17.01	7.55	13.36	4.24
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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 2008, total sales and service income of the Group was Baht 1,435.3 million, an increase of Baht 249.2 million, or 21.0%, from Baht 1,186.1 million for the three-month period that ended on 30 June 2007. The higher revenues were primarily a result of strong performance in our subsea engineering group, including higher day rates and fleet expansion of our subsea assets, which were partially offset by lower than expected contributions from our drilling group. One rig returned to operation during the quarter on 22nd April 2008, after completing periodic survey and other upgrades.

Gross profit was Baht 414.0 million, an increase of Baht 102.4 million, or 32.9%. 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 148.8% from Baht 73.7 million to Baht 183.4 million. The increase was primarily due to the reclassification of operating expenses comprising crew, overhead, and depreciation related to assets that went off-hire of Baht 46.7 million and expansion of business operations, including acquisitions of new subsidiaries during the period from Q3/07 to the last quarter of Baht 63.0 million.

Operating profit was Baht 458.2 million, an increase of Baht 206.1 million, or 81.7%. The higher operating profit was a result of higher exchange rate gains in the last quarter as compared with last year's comparable period.



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During this quarter, the Group recorded deferred tax assets of Baht 27.8 million, which resulted in a net positive income tax of Baht 14.6 million as presented in the statement of income. The deferred tax assets arise mainly from the losses incurred during the quarter 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 456.1 million, including an exchange gain of Baht 225.8 million, as compared to Baht 211.5 million, including an exchange gain of Baht 14.3 million. Excluding unrealised exchange gains and tax effects, net profit increased by Baht 19.5 million, or 9.9%.

Business Segment Analysis

Drilling: The drilling segment generated 25.9% and (19.9%) (*) of the Group's total revenues and operating profit/(loss), respectively.

During the quarter, MTR-1 was under contract and working in Indonesia. Utilisation of MTR-1 for the quarter was 99.3%.

MTR-2 recommenced its contract with Chevron Thailand on April 22 after completing its periodic surveys and upgrades. Utilisation of MTR-2 for the quarter was 28.9%, 67.2%, and 99.7% in April, May, and June, respectively.

Subsea Engineering: The assets in our subsea engineering segment had a 88.2% utilisation rate during the quarter, and generated 68.7% and 56.2% (*) of the Group's revenues and operating profit, respectively. This strong performance was a result of higher day rates and strong utilisation.

(*) 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



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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

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 mid-2009 and MTR-2 with Chevron through early 2010. MTR-2 recommenced operations on 22nd April 2008 with Chevron Thailand. 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. After final design criteria were completed, construction work commenced 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 may 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. Our DSV's, Mermaid Commander and Team Siam, are now committed through the remainder of the year at near record high day rates. Both vessels remain in high demand and further longer term commitments can be expected at similar day rates. Our charter vessel, Binh Minh, recently completed deepwater ROV operations, in excess of 1,000 metres, in Indonesia and is presently en-route to Sakhalin. This vessel is equipped with state of the art deepwater ROV technology and will continue to be in high demand due to its operational adaptability combining survey and air diving services. Our other vessels are presently operating on various contracts maintaining a high utilisation rate.

Our two newbuilds, one DP2 ROV/Survey vessel and one DP2 DSV vessel, are under construction and on schedule for delivery in Q3 CY 2009 and Q2 CY 2009, respectively.



MERMAID MARITIME PUBLIC COMPANY LIMITED

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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

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.



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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., 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 statements for nine-month periods that ended on 30 June 2008 and 2007 and balance sheets as at 30 June 2008 and 30 September 2007 can be summarised as follows:

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

	Net effects on Consolidated Income Statement for the nine-month that ended on 30 June 2007		
	Thai GAAP (Restated)	IFRS	Increased (Decreased)
	Million Baht	Million Baht	Million Baht
Total sales and service income	3,125.22	3,117.68	(7.54)
Total cost of sales and service income	2,304.25	2,266.65	(37.60)
Service and administrative expenses	251.39	252.27	0.88
Operating profit (loss)	737.69	571.09	(166.60)
Net profit for period	596.65	566.09	(30.56)

	Net effects on Consolidated Balance Sheet as at 30 June 2008		
	Thai GAAP	IFRS	Increased (Decreased)
	Million Baht	Million Baht	Million Baht
Total current assets	4,966.18	4,810.65	(155.53)
Total non-current assets	6,652.56	5,398.34	(1,254.22)
Total current liabilities	959.46	909.09	(50.37)
Total non-current liabilities	1,451.36	1,364.21	(87.15)

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	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)

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 ended 30 June 2008 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
13 August 2008