

MERMAID MARITIME PUBLIC COMPANY LIMITED

Analyst Presentation

Financial Quarter 01/2010

18 February 2010





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Analysis of consolidated P&L statement





Consolidated P&L statements

Period: Q1/09 vs Q1/10 vs Q4/09 (3-month period)



	Q1/09	Q1/10	Q4/09	Increase (decrease) between Q1/10 vs Q4/09		Selected Explanation
	31/12/08	31/12/09	30/9/09	USD'000	%	
	USD'000	USD'000	USD'000			
Service income	47,428	32,260	36,456	(4,196)	(12)	Decreased as a result of Mermaid Drilling's revenue decrease of USD 8.2 million due mainly to only MTR-2 working in Q1/10 with utilisation of 99.7%, offset with an increase in Mermaid Offshore's revenue of USD 3.1 million due to higher utilisation days of the DSVs 'Mermaid Commander' and 'Team Siam' from 72 days and 22 days in Q4/09 to 81 days and 92 days in Q1/10, respectively.
Cost of services	(33,610)	(24,894)	(26,694)	(1,800)	(7)	Decreased mainly from Mermaid Drilling's cost of services of USD 3.0 million due to MTR-1 completion of contract in Q4/09, offset with an increase in MOS's cost of services of USD 1.1 million which was related to an increase in business activity.
Gross profit	13,818	7,366	9,762	(2,396)	(25)	Decreased as a result of Mermaid Drilling's gross margin of USD 5.2 million due to only MTR-2 working, offset with an increase in Mermaid Offshore's gross margin of USD 1.9 million arising mainly from higher utilisation of DSVs 'Mermaid Commander' and 'Team Siam'.
Interest income	398	25	18	7	39	
Gain/(loss) on exchange rates	72	410	(1,125)	1,535	136	Increased from gain on foreign currency exchange rate of cash at bank due mainly to the weakening of Thai Baht currency in Q1/10 as compared with Q4/09.
Net gain/(loss) on disposal and write-off of property and equipment	501	8	20	(12)	(60)	
Other income	64	210	286	(76)	(27)	
Administrative expenses	(3,243)	(3,396)	(3,811)	(415)	(11)	Decreased as result of a recognition of a portion of arrangement fees on borrowing cost in relation to the expiry of a potential second newbuild rig of USD 0.5 million in Q4/09.
Operating profit	11,610	4,623	5,150	(527)	(10)	



Consolidated P&L statements

Period: Q1/09 vs Q1/10 vs Q4/09 (3-month period)



	Q1/09	Q1/10	Q4/09	Increase (decrease) between Q1/10 vs Q4/09		Selected Explanation
	31/12/08	31/12/09	30/9/09	USD'000	%	
	USD'000	USD'000	USD'000			
Share of profit (loss) from associates	(119)	151	(49)	200	408	Increased due to share of profit from associates, WCI/AME.
Profit before finance costs and income taxes	11,491	4,774	5,101	(327)	(6)	
Finance costs	(1,037)	(490)	(430)	60	14	Increased relative to the additional loans in the quarter as compared with Q4/09.
Profit before income taxes	10,454	4,284	4,671	(387)	(8)	
Income taxes	(1,057)	(476)	98	574	586	Increased due mainly to the deferred tax recognition of USD 0.6 million in Q4/09 compared to USD 0.03 million in Q1/10.
Net profit for the period	9,397	3,808	4,769	(961)	(20)	Decreased mainly from lower utilisation rate of Mermaid Drilling in this quarter as compared with previous quarter.
EBITDA (Including FX Impact)	11,998	9,149	9,427	(278)	(3)	
EBITDA (Excluding FX Impact)	11,926	8,739	10,553	(1,814)	(17)	

Segmental analysis

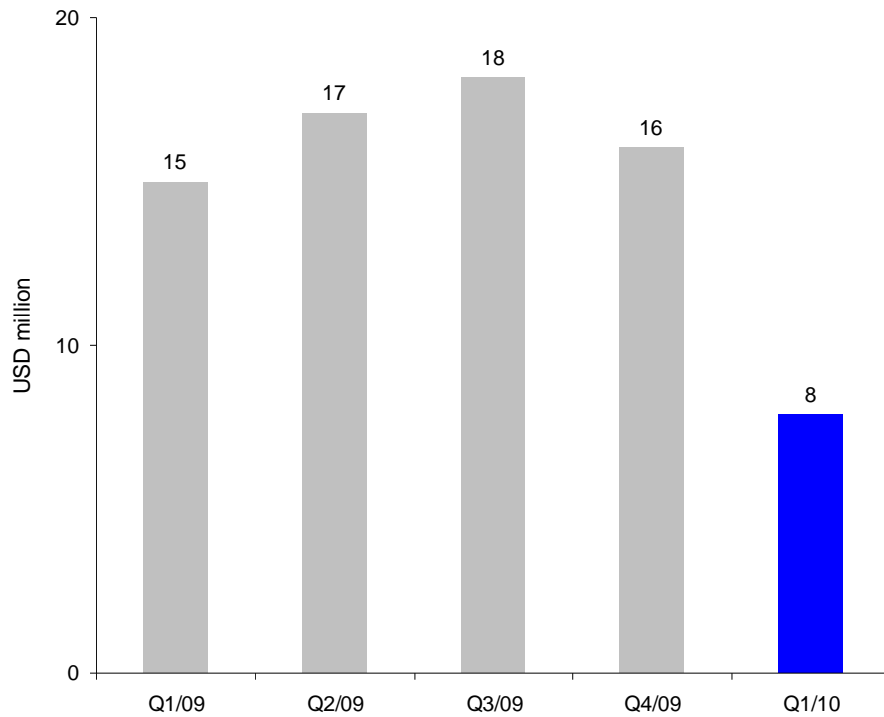




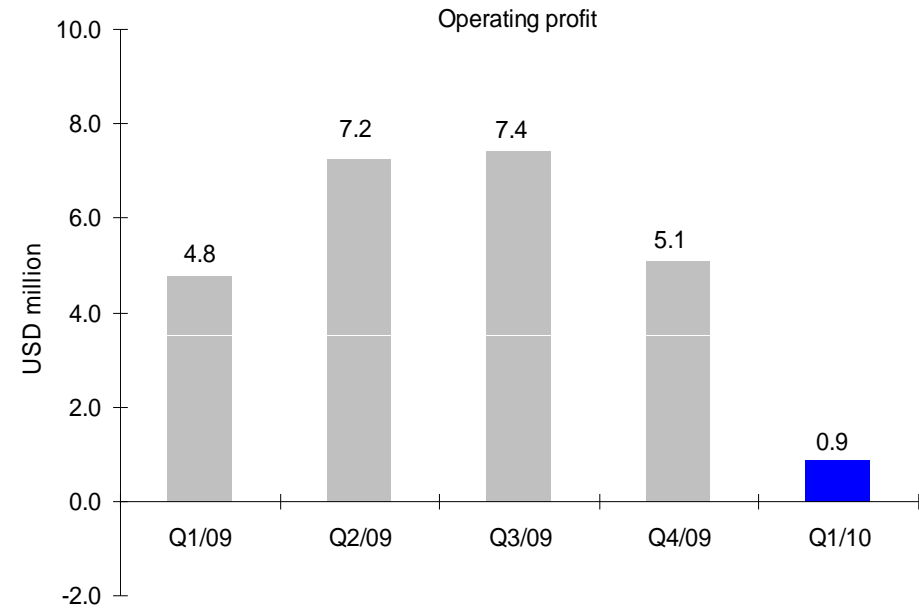
Mermaid Drilling



Service Income



Operating profit and margin (Excl. Forex)



Operating margin				
Q1/09	Q2/09	Q3/09	Q4/09	Q1/10
32%	42%	41%	32%	11%

Mermaid Drilling performance expected



Mermaid Drilling



MTR-1

- 🌐 Completed contract with Hess in Indonesia in FQ4/2009.
- 🌐 Undergoing inspection, repair and maintenance in Thailand. Daily operating cost reduced to minimum.
- 🌐 Awaiting response from submitted tenders for potential drilling and/or barge contracts.

MTR-2

- 🌐 Under contract with Chevron in Indonesia until FQ3/2010.
- 🌐 Contract utilization remains at 99% levels.
- 🌐 Contract extension expected.

MTR-1 available for work. MTR-2 continues to be fully utilized.



Mermaid Drilling



KM-1 (Newbuild)

- ❖ Construction in progress.
- ❖ Delivery now expected in FQ3/2010.
- ❖ 5 year drilling contract (with options) with Petronas Carigali will commence on delivery of rig.

Market Outlook

- ❖ Market still showing trends of high tender rig utilization.
- ❖ Client preference for newer rigs observed, but with older rigs likely to remain in the market due to aggressive pricing.
- ❖ Review of further acquisitions / newbuild opportunities ongoing.

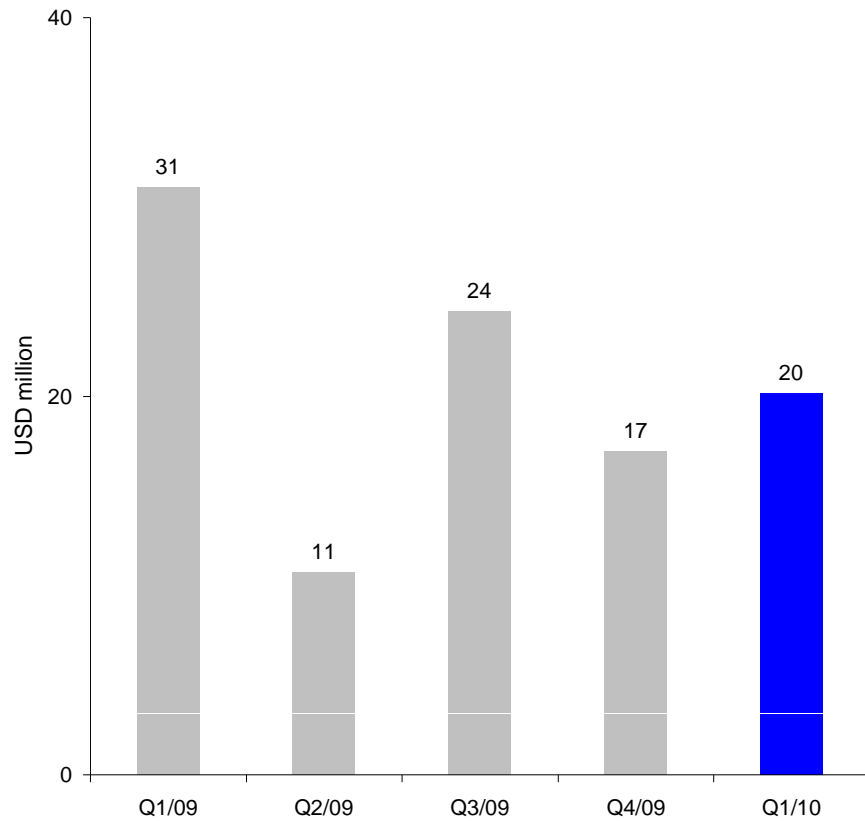
Further expansion to correlate with expected market recovery



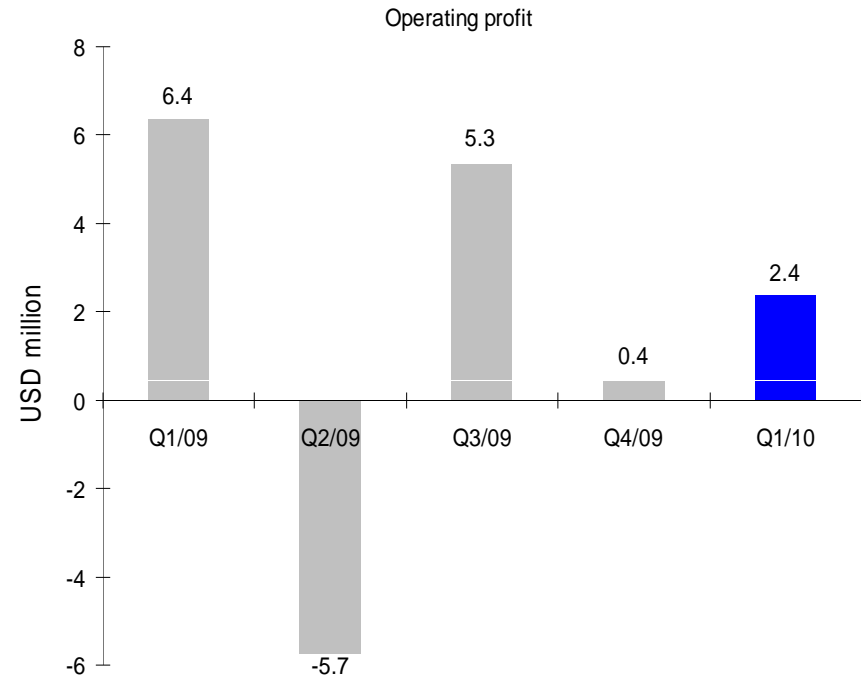
Mermaid Offshore Services



Service Income



Operating profit and margin (Excl. Forex)



Operating margin				
Q1/09	Q2/09	Q3/09	Q4/09	Q1/10
21%	-54%	22%	3%	12%

New contract awards secured



Mermaid Offshore Services



Utilization

- ❁ Monsoon period abating and new contract awards being observed. Result of large volumes of tenders previously submitted.
- ❁ Higher utilization of DP2 DSVs 'Mermaid Commander' and 'Team Siam' resulted in overall increase in revenues.

Vessel Updates

- ❁ Purchased DP2 DSV 'Team Siam' in January 2010.
- ❁ Newbuild DP2 ROV and air-dive support vessel 'Mermaid Sapphire' delivered in November 2009 with ROV installed and completed in January 2010.
- ❁ Newbuild DP2 DSV 'Mermaid Asiana' delivered in January 2010 with dive system commissioning near completion.
- ❁ Newbuild DP2 DSV 'Mermaid Endurer' delivery scheduled for FQ3/2010.

High utilization of DSVs experienced. More DSVs to be added to fleet.



Mermaid Offshore Services



Allied Marine & Equipment

- DP2 ROV and air-dive support vessel 'Allied Achiever' delivered in January 2010 to support AME's ongoing sub-sea contracts in Malaysia.
- Profit contribution to Mermaid Offshore increased in FQ1/2010.

Seascope Surveys

- Continues to compliment Mermaid Offshore's service solutions and also providing survey and related services independently.
- Profit contribution to Mermaid Offshore increased in FQ1/2010.

Related companies continue to perform

Financial Ratios and Debt Repayment Schedule





Selected financial ratios



	Q1/10	Q4/09
Average receivable turnover (days)	85	83
Average payable turnover (days)	24	19
Gross debt to equity ratio (Times)	0.24	0.24
Net asset value per share* (USD)	0.55	0.59
Gross debt to EBITDA (Times)	2.71	1.69

* using outstanding issued shares at end of period

Retaining financial flexibility to fund future opportunities



Debt repayment schedule



I) As at 31 December 2009, total outstanding long-term debt was equivalent to USD 104.5** million

Loan Repayment Schedule (USD Million)										
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Repayment amount	13.5	25.5	21.9	14.2	10.5	6.0	5.6	2.4	1.3	3.6

** The Thai Baht loan is converted to USD by using selling rate as at 31 December 2009.

II) As at 31 December 2009, undrawn loan facilities for vessel/rig acquisitions are as follows:

	USD Million
Mermaid Asiana	40.2
Mermaid Endurer	49.9
KM-1	52.0
Mermaid Siam ("Team Siam")	33.8
Total	175.9

96% of total debt denominated in USD including loan swap



Newbuild payment progress



Tender rig 'KM-1' - USD 136 M.

Equity 50% - USD 68 M.	Financing 50% - USD 68 M.
<i>Already Paid 100% - USD 68.0 M</i>	<i>Drawn down 23.5% - USD 16.0 M.</i>

⇒ **Delivery FQ03/2010**

As at 18 February 2010

DP2 'Mermaid Endurer' - USD 91.0 M.

Equity 30% - USD 27.3 M.	Financing 70% - USD 63.7 M.
<i>Already Paid 172.9% - USD 47.2 M.</i>	<i>Drawn down 21.7% - USD 13.8 M.</i>

⇒ **Delivery FQ03/2010**

As at 18 February 2010

Equity fully paid and loans active

Analysis of consolidated balance sheet





Consolidated balance sheets as at 31 December 2009 and 30 September 2009



Assets	31 Dec 09 USD'000	30 Sep 09 USD'000	Change 31 Dec 09 vs 30 Sep 09		Selected Explanation
			USD'000	%	
Cash & Deposits (included of fixed deposits over 3 months presented as short-term investments)	127,635	53,485	74,150	139	Increased mainly from proceeds from the rights issue of USD 108 million, offset with payments for vessel/rig under construction installments.
Trade Debtors	29,277	31,068	(1,791)	(6)	Decreased due to the lower revenue from USD 36.5 million in Q4/09 to USD 32.3 million in Q1/10.
Related Debtors	8	3	5	167	
Supplies and Spare Parts	3,461	3,385	76	2	
Other Current Assets	6,421	4,165	2,256	54	Increased mainly due to additional advance payments for business of USD 1.6 million and prepaid expenses of USD 0.4 million.
Other L-T Assets	32,712	34,913	(2,201)	(6)	Decreased mainly due to a reclassification of other long-term investments of USD 2.3 million to be an investment in subsidiary which was resulted from the additional investments and became a part of consolidation.
Property, Plant, and Equipment and Intangible Assets, net	363,757	309,183	54,574	18	Increased mainly due to newbuild installments for: <ul style="list-style-type: none"> - tender rig (KM-1) of USD 1.2 million; - DP2 vessel (Mermaid Endurer) of USD 21.6 million; - saturation diving system (Equipment) of USD 2.2 million, - ROV support vessel (Mermaid Sapphire) of USD 8.3 million, - deposits for purchase of Team Siam of USD 5.9 million; and - Mermaid Asiana of USD 18.9 million; offset with - depreciation of USD 4.4 million.
Total Assets	563,271	436,202	127,069	29	



Consolidated balance sheets as at 31 December 2009 and 30 September 2009



Liabilities	31 Dec 09 USD'000	30 Sep 09 USD'000	Change 31 Dec 09 vs 30 Sep 09		Selected Explanation
			USD'000	%	
Trade Creditors	7,229	5,202	2,027	39	Increased due to an increase in payment days from 19 days in Q4/09 to 24 days in Q1/10.
Related Creditors	340	298	42	14	
Current Portion: L-T Borrowings	16,293	14,063	2,230	16	See L-T borrowings
Other Current Liabilities	19,501	34,022	(14,521)	(43)	Decreased mainly from the settlement of other payables of USD 14.9 million.
Other Non-Current liabilities	680	998	(318)	(32)	Decreased mainly due to a reclassification of accrued retirement benefits and retention incentives to be current portion which was presented as a part of other current liabilities.
L-T Borrowings	88,763	62,258	26,505	43	Net increased mainly due to additional loans for: - 'Mermaid Endurer' of USD 2.5 million; - 'Mermaid Sapphire' of USD 8.2 million; - 'KM-1' of USD 16.0 million; and - 'Mermaid Asiana' of USD 5.7 million, offset with - gain on foreign currency exchange rate of USD 0.2 million; and - loan repayments of USD 3.3 million.
Total Liabilities	132,806	116,841	15,965	14	



Consolidated balance sheets as at 31 December 2009 and 30 September 2009



Equity	31 Dec 09 USD'000	30 Sep 09 USD'000	Change 31 Dec 09 vs 30 Sep 09		Selected Explanation
			USD'000	%	
Share Capital & Share premium	317,802	210,137	107,665	51	Increased due to the proceeds from the rights issue.
Legal reserves	1,190	1,190	-	-	
Shareholders Funds	92,675	89,185	3,490	4	Increased from net profit in Q1/10.
Difference of translation adjustment	(1,186)	(910)	276	30	
Minorities	19,984	19,759	225	1	Increased mainly due to share of profit 0.3 million offset with a loss on translation adjustments of USD 0.1 million.
Total Equity	430,465	319,361	111,104	35	
Total Liabilities + Equity	563,271	436,202	127,069	29	

Any questions?

