

MERMAID MARITIME PUBLIC COMPANY LIMITED (“MMPLC”)

Analyst Presentation

Q1/2008 (31 December 2007)

25 February 2008





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Analysis of consolidated P&L statement





Consolidated P&L statement

Period: Q1/07 vs Q4/07 vs Q1/08



	Q1/07	Q4/07	Q1/08	Increase (decrease) between Q4/07 VS Q1/08		Ref.
	31/12/06	30/9/07	31/12/07	Baht'000	%	
	Baht'000	Baht'000	Baht'000			
Service income	955,682	948,826	1,097,906	149,080	16%	A
Sales	706	-	-	-	0%	
Total sales and service income	956,388	948,826	1,097,906	149,080	16%	
Cost of services	(749,657)	(566,729)	(711,875)	145,146	26%	B
Cost of sales	(674)	-	-	-	0%	
Total cost of sales and services	(750,331)	(566,729)	(711,875)	145,146	26%	
Gross profit from sales and services	206,057	382,097	386,031	3,934	1%	
Service and administrative expenses	(88,859)	(421,865)	(237,953)	(183,912)	-44%	C
Interest income	2,677	745	15,133	14,388	1931%	D
Gain/(loss) on exchange rates	47,566	10,123	18,237	8,114	80%	E
Net gain /(loss) on disposal of and W/O PPE	12,557	1,292	514	(778)	-60%	F
Gain /(loss) on disposal of investments	2,729	266	-	(266)	-100%	G
Other income	9,357	16,202	1,430	(14,772)	-91%	H
Operating profit	192,084	(11,140)	183,392	194,532	1746%	5



Consolidated P&L statement

Period: Q1/07 vs Q4/07 vs Q1/08



	Q1/07	Q4/07	Q1/08	Increase (decrease) between Q4/07 VS Q1/08		Ref.
	31/12/06	30/9/07	31/12/07	Baht'000	%	
	Baht'000	Baht'000	Baht'000			
Share of profit from an associate	-	-	3,341	3,341	100%	I
Profit before interest expense and income taxes	192,084	(11,140)	186,733	197,873	1776%	
Interest expenses	(49,639)	(39,222)	(37,937)	(1,285)	-3%	J
Profit before income taxes	142,445	(50,362)	148,796	199,158	395%	
Income taxes	(1,087)	(13,818)	92,495	(106,313)	-769%	K
Profit before minorities	141,358	(64,180)	241,291	305,471	476%	
Profit (loss) attributable to minority interests	1,441	11,759	(1,012)	(12,771)	-109%	
Net profit for the year	142,799	(52,421)	240,279	292,700	558%	L
Depreciation and amortisation	128,845	128,137	131,127	2,990	2%	
EBITDA (Including FX Impact)	320,929	116,997	317,860	200,863	172%	
EBITDA (Excluding FX Impact)	273,363	106,874	299,623	192,749	180%	6



Analysis of P&L statement: Q4/07 vs Q1/08



A	<p>Increase mainly due to increase in number of days operation: MOS additional 56 days, from 398 days in Q4/07 to 454 days in Q1/08; MDL additional 47 days, from 35 days in Q4/07 to 82 days in Q1/08.</p> <p>MOS: Additional operating days primarily from new charter vessel, Binh Minh, which commenced operation in this quarter.</p> <p>MDL: MTR1, 82 days operation in Q1/08 vs. 19 days in Q4/07. MTR2, offhire Q1/08 vs. 16 days in previous quarter.</p>
B	<p>Cost increase relating to the higher activity levels of both MOS and MDL. For MDL, the increase was mainly from reclassifying crew / operational cost of MTR1 to Cost of Service as opposed to Administrative Expense during the offhire period following fire incident. Drilling crew cost also increased.</p>
C	<p>Decreased significantly mainly from reclassification of crew / operation cost of MTR1, Q1/08 as mentioned above. In Q4/07, there was also one time expense related to fire incident.</p>
D	<p>Increase in interest income primarily from cash available in banks from IPO proceeds in October 2007.</p>
E	<p>Gain on exchange rate was mainly unrealised gain on exchange rate of USD long-term loans outstanding at the balance sheet date. The exchange rate as at 31 December 2007 was USD 1/ Baht 33.8850 compared to USD 1/ Baht 34.3851 as at 30 September 2007.</p>



Analysis of P&L statement: Q4/07 vs Q1/08



F	Gain on disposal of PPE of Baht 514 thousand in this quarter was gain from disposal of small site in Songkha province.
G	No gain on disposal of investment in this quarter. Gain on disposal of Baht 266 thousand in Q4/07 was from disposal of investment in a subsidiary, Mermaid Supply Ltd. which ceased operation in Q1/07.
H	Other income in Q4/07 was mainly insurance recovery of USD 379,437.70 or Baht 12.9 million related to crane boom incident late 2006.
I	Share of profit from an associate represented 25% share of profit from Worldclass Inspiration Sdn., Bhd. ("WCI") in Q1/08.
J	Net decrease from repayment of loan in Q1/08, and positive effect from continued strengthening of Thai Baht.
K	Due to adoption of deferred tax. Positive income tax derived from deferred tax assets from loss carried forward and loss incurred in this period from MTR2.
L	Increase in net profit for Q1/08 as compared to Q4/07 was mainly from MTR1 resumption of operation and contribution from additional vessel in MOS fleet.

Segmental analysis





Mermaid Drilling continued to face challenges in first quarter 2008...



MTR-1 : Resumed operations on 12 Sep 2007

- Utilization was 83% in Oct / Nov as the rig recommenced operations
- Utilization in Dec. and Jan was 100%
- Current contract (12 well program with Hess) now expected to be completed early in July, 2009



...as MTR 2 was further delayed waiting on critical parts



MTR 2 : Final parts to be delivered this month

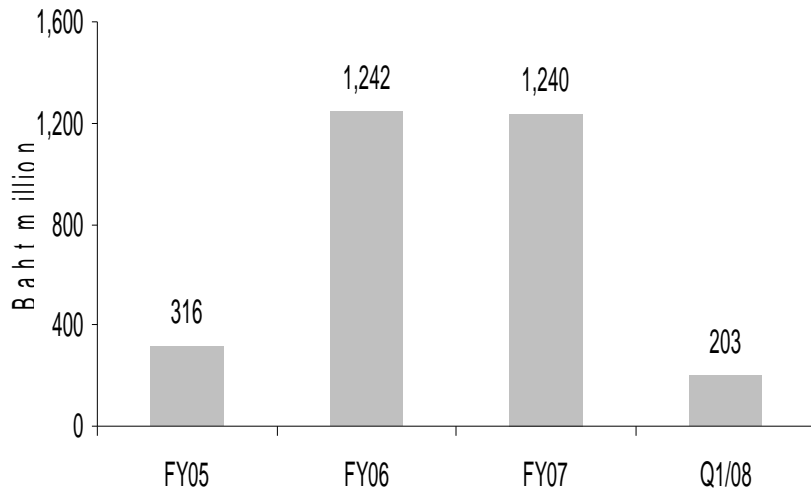
- Remaining electrical components are scheduled for delivery 3rd week of Feb
- Commissioning and testing scheduled for completion mid - March, MTR 2 to recommence operation late March / early April
- Current contract from recommencement of work will run for 24 months



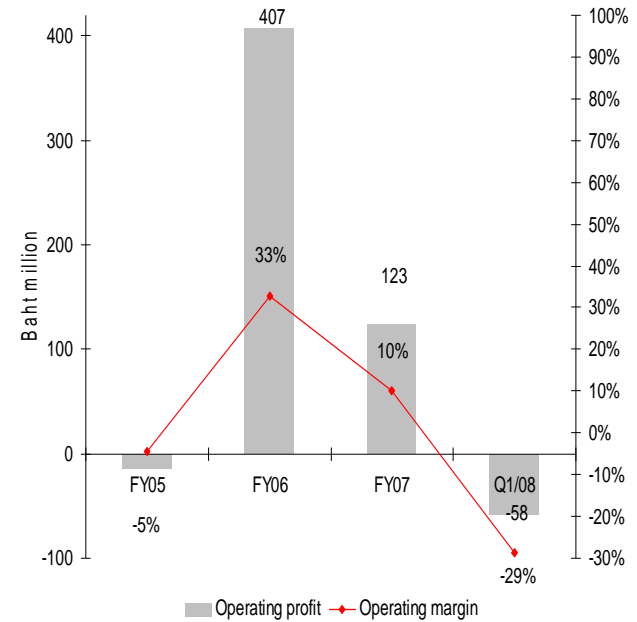
With one rig in operation, Drilling financial performance continued to lag in Q1....



Sales



Operating profit and margin



Mermaid Drilling



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



- 🌀 Newbuild (KM 1) project commenced and proceeding on schedule
- 🌀 Contract for KM 1 anticipated in first half 2008
- 🌀 Several customer inquiries received for additional newbuild rigs



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



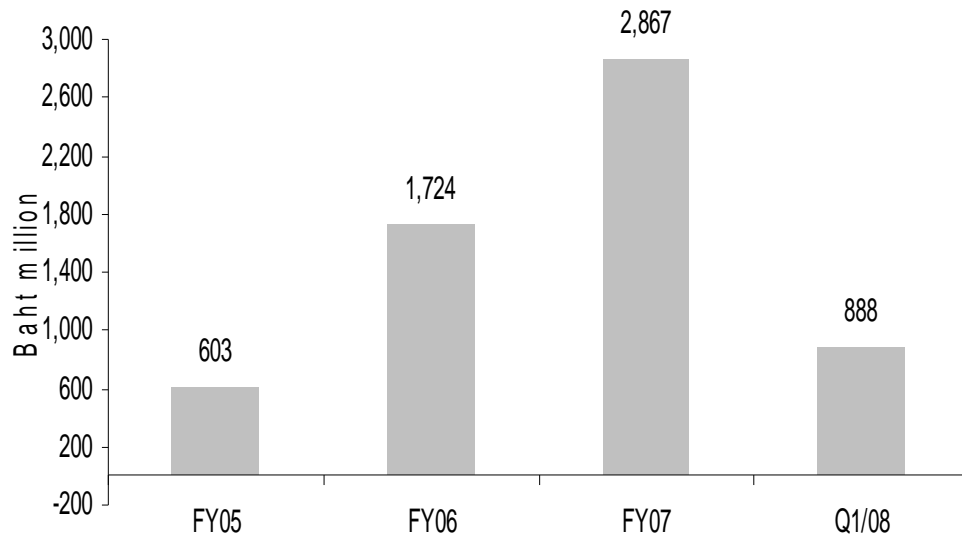
- 🚢 Tender rig utilisation remains high
- 🚢 Recent fixtures on ex-Pride rigs (now owned by GGS) reported at dayrates of US\$ 115k
- 🚢 Operator planned activity still identifies tender rig shortfall
- 🚢 All drilling sectors / regions anticipating continued high utilisation coupled with high day rates



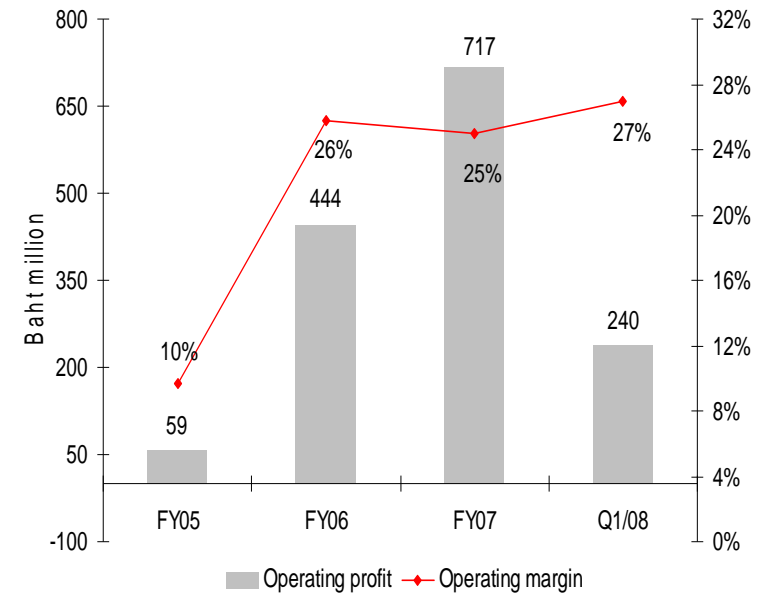
Mermaid Offshore continued to excel in Q1, 2008...



Sales



Operating profit and margin



Mermaid Offshore



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



- 🚢 Notable contracts awarded by BP and CUEL
- 🚢 Negotiations ongoing with clients regarding long term (5 years) contracts
- 🚢 Higher day rates coupled with greater utilisation has further improved margin performance
- 🚢 MOS standards and reputation ensure repeat business



Recent MOS investment in Allied Marine already shows strong potential...



- 🚢 Secured client contract in China for AME DSV, Allied Centurion
- 🚢 “Local” access to Malaysian market expected to generate additional opportunities
- 🚢 Further investment planned to enhance AME fleet



...and new investment in Seascope is expected to bring additional strategic benefits



- 🚢 Brings key MOS subcontractor “in house”
- 🚢 Enhances MOS capability to deliver a complete package of services
- 🚢 Hydrographic survey work expected to further increase utilization on Mermaid non – DSV vessels
- 🚢 Solid potential to continue growing the internal business and providing hydrographic survey services externally

Financial Ratios and Debt Repayment Schedule





Selected financial ratios



	Q1/08	2007
Average receivable turnover (days)	74	84
Average payable turnover (days)	31	34
Debt to equity ratio (Times)	0.25	0.83
Net asset value per share* (Baht)	15.96	7.55
Debt to EBITDA** (Times)	1.70	1.95

* using outstanding issued shares at end of period

** equivalent to year for comparison

Retaining financial flexibility to fund future opportunities



Debt repayment schedule



As at 31 December 2007, total outstanding long-term debt was equivalent to USD 60,492,078.

Due to repay in years (USD)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Repayment Amount	8,837,681	11,841,647	11,941,647	11,034,294	7,618,809	4,624,000	4,594,000

85% of total debt denominated in USD

Analysis of consolidated balance sheet





Consolidated balance sheets as at 31 December 2007 and 30 September 2006



Assets	31 Dec 07	30 Sep 07	Increase (decrease)		Ref.
	Baht'000	Baht'000	Baht'000	%	
Cash & Deposits	4,651,061	511,700	4,139,361	8089%	I
Trade Debtors	899,169	966,140	(66,971)	-6.9%	
Related Debtors	241	260	(19)	-7.3%	
Spare Parts and Inventories	122,976	113,581	9,395	-8.3%	
Other Current Assets	134,763	226,981	(92,218)	-40.6%	II
Other L-T Assets	516,444	105,409	411,035	389.9%	III
Fixed Assets and Intangible assets	4,967,953	4,021,659	946,294	23.5%	IV
Total Assets	11,292,607	5,945,730	5,346,877	89.9%	



Consolidated balance sheets as at 31 December 2007 and 30 September 2006



Liabilities	31 Dec 07 Baht'000	30 Sep 07 Baht'000	Increase (decrease)		Ref.
			Baht'000	%	
Trade Creditors	273,251	353,796	(80,545)	-22.8%	
Related Creditors	515	46,778	(46,263)	-98.9%	
S-T Debt	121,514	221,852	(100,338)	-45.2%	
Current Portion: L-T Borrowings	407,557	412,255	(4,698)	-1.1%	VI
Other Current Liabilities	195,389	234,096	(38,707)	-16.5%	V
Other Non-Current liabilities	3,956	3,359	597	17.8%	
L-T Borrowings	1,653,025	1,778,560	(125,535)	-7.1%	VI
Total Liabilities	2,655,207	3,050,696	(395,489)	-13.0%	



Consolidated balance sheets as at 31 December 2007 and 30 September 2006



Equity	31 Dec 07 Baht'000	30 Sep 07 Baht'000	Increase (decrease)		Ref.
			Baht'000	%	
Share Capital	7,019,771	1,609,557	5,410,214	336.1%	VII
Reserves	32,774	5,720	27,054	473.0%	VIII
Shareholders Funds	1,352,442	1,139,217	213,225	18.7%	
Difference of translation adjustment	9,622	496	9,126	1839.9%	
Minorities	222,791	140,044	82,747	59.1%	IX
Total Equity	8,637,400	2,895,034	5,742,366	198.4%	
Total Liabilities + Equity	11,292,607	5,945,730	5,346,877	89.9%	



Analysis of consolidated balance sheet between 31 December 2007 and 30 September 2006...



I	Significantly increased from IPO proceeds in October 2007.
II	<p>Decreased mainly from offsetting IPO issuing cost with share premium. As at 30 September 2007, outstanding IPO issuing cost was Baht 76 million.</p> <p>As at 31 December 2007, the other current assets comprise mainly prepaid expense of Baht 35.8 million, advance for business of Baht 30.2 million, and VAT of Baht 28 million</p>
III	Significantly increased from new investment in WCI of Baht 377 million, and investment in KMD of Baht 0.4 million.
IV	Increased derived from: payment of 15% deposit for construction of new rig, KM1 of Baht 685 million; installment on new ROV vessel of Baht 176.5 million; drydocking/SPS of Baht 98 million and other equipment of Baht 127.5 million. Offset by depreciation of Baht 129 million, and disposal of land / buildings of MMPLC net of Baht 12 million.
V	Other current liabilities as at 31 December 2007 comprise mainly non-trade payable (for purchase of fixed assets), accrued expense, accrued income tax and withholding tax payable on monthly basis. The decrease resulted primarily from payment of IPO expense outstanding in previous quarter.
VI	No additional loan in Q1/2008. Decreased was mainly from repayment and Baht appreciation. The outstanding loans at period end are denominated in USD and Baht which match to the majority of currency of revenue generated of each company. The interest rate as at 31 December 2007 are ranging between MLR -1 and MLR, and Libor +2.25 and Libor +2.75. The long-term repayment schedule is presented in another slide.



Analysis of consolidated balance sheet between 31 December 2007 and 30 September 2006...



VII	<p>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.</p>
VIII	<p>During the Q1/2008, the Company increased its legal reserve of Baht 27,054,088 which represented 5% of net income of last year in accordance with Public Limited Company Act B.E. 2535 in Thailand.</p>
IX	<p>Minority interest increased from the net offset between a) the decrease resulting from return of capital to minority shareholder of Darium Thai Offshore Limited of Baht 90.5 million due to liquidation of this company and b) the increase from new minority interest in the Company's new subsidiary, MKR Rig 1 Ltd. of Baht 171.2 million which represented 25% of its paid-up capital.</p>

End

