



Mermaid Maritime Public Company Limited

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

Tel.: +66 (0) 2-255-3115 ~ 6; Fax: +66 (0) 2-255-1079

ANNOUNCEMENT OF FLEET EXPANSION:

ORDER OF ONE (1) NEWBUILD ROV SUPPORT VESSEL

*Mermaid signs US\$ 26.39 million order for newbuild 63-meter DP2 vessel.
Delivery scheduled for Q3/2009.*

1. Introduction

The Board of Directors of Mermaid Maritime Public Company Limited ("Mermaid") wishes to announce that its wholly owned subsidiary, Mermaid Offshore Services Ltd. ("MOS"), has on 06 December 2007 entered into a contract with Jaya Shipbuilding and Engineering Pte. Ltd. ("JSE") in Singapore for the design, construction and completion by JSE of a 63-meter DP2 vessel ("Transaction").

2. Rationale for the Transaction

The Transaction will allow Mermaid to expand its existing fleet of offshore sub-sea support vessels in order to cater for the anticipated escalation in demand for offshore sub-sea services in the oil and gas industry in South East Asia. The newbuild vessel will be dynamically positioned to IMO class 2 with a full suite of remote intervention equipment suited for sub-sea and ROV survey. Delivery is scheduled for the third (3rd) quarter of 2009 calendar year.

3. Consideration

The total consideration for the Transaction is US\$ 26,390,000 (United States Dollars Twenty Six Million Three Hundred Ninety Thousand). The consideration was arrived based on negotiations on a willing-buyer willing-seller basis with regard to current market conditions and is within fair market value as assessed by M3 Marine Pte. Ltd. on 05 December 2007.

The consideration will be funded by 60% debt and 40% equity. The equity portion will be funded out of the proceeds received from the recent initial public offering ("IPO") of the shares of Mermaid. MOS has already increased its capital by the equity portion and the new shares have been fully subscribed by Mermaid to be paid-up from time corresponding with the payment terms of the Contract.



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The payment terms are as follows:

Milestone	Amount (US\$)
Signing of the Contract	5,287,500
Keel Laying	5,287,500
Arrival of Main Engines	5,287,500
Launching of Vessel	5,287,500
Delivery of Vessel	5,240,000
<i>Total</i>	<i>26,390,000</i>

4. Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”)

In order to determine the classification of the acquisition, the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

(a) Net Asset Value Test (Rule 1006(a))

The net asset value test is not applicable to the Transaction.

(b) Net Profits Test (Rule 1006(b))

There are no net profits attributable to the Transaction because the vessel has yet to be constructed.

(c) Market Capitalization Test (Rule 1006(c))

The Consideration of US\$26,390,000 is equivalent to approximately SGD 38,265,500 (based on the exchange rate of US\$1.00 = SGD1.45). This represents 3.94% of Mermaid’s market capitalization of SGD 970,336,623 million. The market capitalization is computed based on the weighted average price of Mermaid’s shares transacted on 05 December 2007 (SGD 1.8546), being the market day preceding the date of the contract signing, multiplied by the number of shares in issue (523,205,340 shares).

(d) Equity Securities Test (Rule 1006(d))

The equity securities test is not applicable to the Transaction as no equity securities are being issued as consideration for the Transaction.



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Having regard to the above, the Transaction is a “non-disclosable transaction” under Rule 1010 of the Listing Manual.

5. Financial Effects

For illustrative purposes only, the financial effects based on the latest audited consolidated financial statements for the Mermaid Group for the year ended 30 September 2007 (“FY2007”) are as follows:

- (a) Assuming that the Transaction had been effected at the end of FY2007, the pro forma effects on the consolidated net tangible assets (“NTA”) of Mermaid for FY2007 are as follows:

	<i>Before Transaction</i>	<i>After Transaction</i>
NTA (THB'000) [a]	2,895,035	3,255,417 [b]
NTA per share (THB) [c]	5.53	6.22
NTA per share (SGD) [d]	0.24	0.27

Note:

[a] NTA is calculated based on Thai Generally Accepted Accounting Principles (GAAP) and for the purpose of this illustration is total assets minus total liabilities since Mermaid has minimal intangible assets.

[b] based on an exchange rate of US\$ 1.00 = THB 34.14 and assumption of debt to equity financing of 60/40.

[c] based on 523,205,340 issued and paid-up ordinary shares of Mermaid post IPO as this would adjust for the difference arising from the IPO, such that the effect is attributed solely to the Transaction.

[d] based on an exchange rate of SGD 1.00 = THB 23.00.

- (b) Assuming that the Transaction had been effected at the beginning of FY2007, there will be no impact on Mermaid’s earnings per share for FY2007. As the vessel is yet to be constructed, there is therefore no past performance records to measure their profitability for FY2007.



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6. Interest of Directors and Controlling Shareholders

None of the directors or controlling shareholders of Mermaid has any interest, direct or indirect, in the Transaction. There are also no new directors proposed to be appointed to Mermaid in connection with the Transaction.

BY ORDER OF THE BOARD

Vincent Siaw
Company Secretary
06 December 2007

Macquarie Securities (Singapore) Pte Limited was the Sole Global Coordinator, Bookrunner and Underwriter for, and Macquarie Securities (Asia) Pte Limited was the Issue Manager for, the initial public offering of Mermaid. This announcement has been prepared and released by Mermaid.

About Mermaid

Mermaid Maritime Public Company Limited ("Mermaid" or the "Company") is a leading provider of drilling and sub-sea engineering services for the oil and gas industry in South East Asia. Over the last five years, the Company has grown significantly in the areas of sub-sea engineering, and more recently, drilling services for the offshore oil and gas industry as well as in training and technical services. Mermaid has established itself as a company recognized by the industry for high quality services, delivered safely and efficiently. The Company has developed a strong blue chip client base that includes some of the world's largest oil and gas-related companies. The Company operates throughout South East Asia, particularly in Thailand, Indonesia, Malaysia and Vietnam.

Mermaid provides drilling services through its majority-owned (95%) subsidiary, Mermaid Drilling Ltd. ("MDL") which currently has two tender rigs. The Company provides sub-sea engineering services through its wholly owned subsidiary, Mermaid Offshore Services Ltd. ("MOS"). MOS provides sub-sea inspection, repair and maintenance services, light construction services and emergency repair and call out services in South East Asia. MOS' fleet consists of four vessels which it owns, in addition to one dynamic positioning construction vessel and one remotely operated vehicle ("ROV")/air dive support vessel, both of which it charters. In addition, MOS owns one portable saturation diving system, seven air diving systems and seven ROVs.