

# MERMAID MARITIME PUBLIC COMPANY LIMITED

## Management Presentation

March 2008





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## Presentation team



**David Simpson**  
**Managing Director**  
*Mermaid Maritime Public Company Limited*

- Over 25 years in the oil and gas industry
- Previous appointments:
  - Managing Director, Africa Oilfield Services Ltd
  - Country Manager (Equatorial Guinea), Transocean



**John Crane**  
**Chief Financial Officer**  
*Mermaid Maritime Public Company Limited*

- Over 15 years experience in the finance industry within Asia
- Former Head, Investment Banking and President, JP Morgan Securities (Thailand)
- MBA in Finance (Wharton Business School)



**Vincent Siaw**  
**Investor Relations Officer**  
*Mermaid Maritime Public Company Limited*

- 8 years experience as a regional corporate and commercial lawyer
- Former legal counsel for Mermaid, General Motors Thailand, lawyer with Deacons Australia
- B. Accounting, LL.B (Hons), M.B.A., Solicitor (England, Wales and Australia)

# A LEADING OFFSHORE SERVICES PROVIDER





# Mermaid's operations focused in two specialized niches within the offshore production sector



<b>Area of focus</b>	Production drilling + Workover	Sub-sea engineering
<b>Key assets</b>	2 tender barge drilling rigs	MOS – 6 Vessels + Supporting Assets AME – 2 Vessels + Supporting Assets Seascope – Supporting Survey Assets
<b>Sales contribution<sup>1</sup></b>	30%	69%
<b>Contractual nature</b>	Long term contracts	Short to mid term contracts*
<b>Demand drivers</b>	Additional and enhanced production	New and existing sub-sea infrastructures

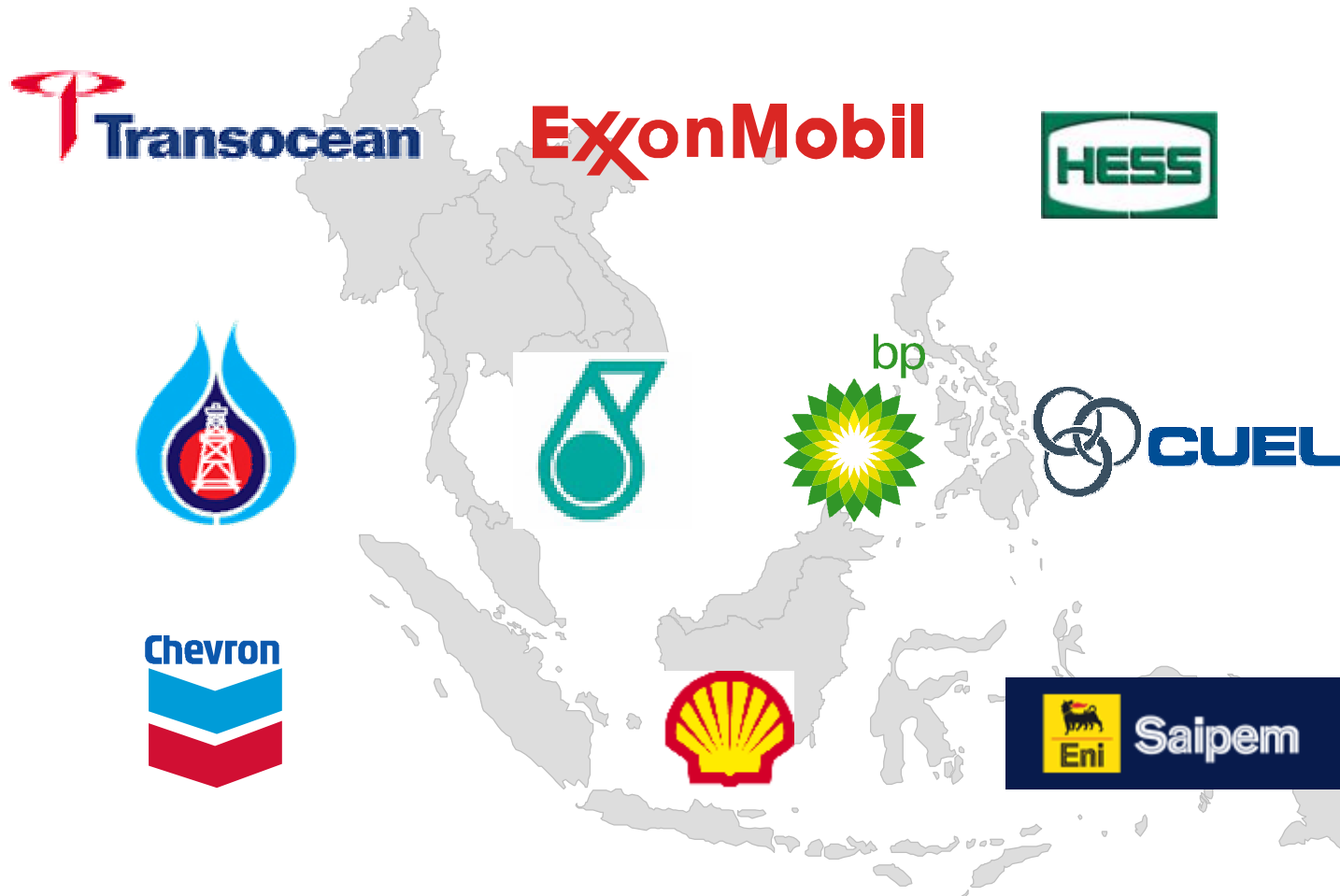
**Business mix reduces earnings volatility**

<sup>1</sup>FY 2007

\* Longer term contracts emerging



## Blue chip client base



Established, strong client relationships and operational track record

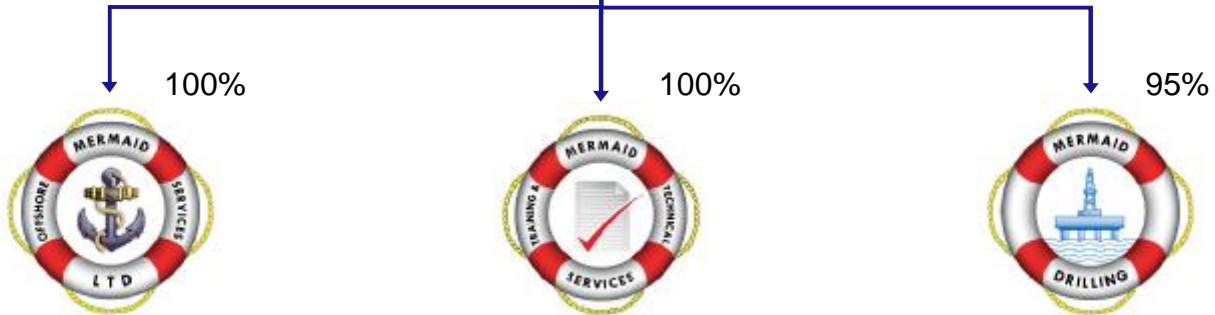


# Seasoned management team



**David Simpson**  
Managing Director

**John Crane**  
Chief Financial Officer



**Mark Shepherd**  
Director, MOS

**Simon Turner**  
General Manager, MOS

**Svein Nodland**  
Director, MDL

**Magne Hovden**  
Operations Manager, MDL



# Rapid expansion driven by “specialised” asset acquisitions



## 2003

- Acquired first ROV and air dive support vessel



## 2004

- Continued expansion plans
- Chartered DP2 construction support vessel (long term)
- Built world class facility in Thailand



## 2005

- Acquired 2 tender drilling rigs
- Acquired DP2 DSV vessel
- Acquired 2<sup>nd</sup> ROV and air dive support vessel



## 2006

- Acquired 3<sup>rd</sup> ROV and air dive support vessel
- Divested safety business



## 2007

- Chartered DP2 ROV and air dive support vessel (long term)



## 2008

- Completed Initial Public Offering
- Newbuild tender rig KM 1 commenced at yard
- Acquired stake (22.5%) in Malaysian subsea engineering company
- Acquired majority interest (80%) in hydrographic survey company







## Future growth driven by additional asset investment

**Q2, 2008**

- 🚢 Delivery of new build AHTS<sup>1</sup>



**2010**

- 🚢 Delivery of 2nd new build tender rig<sup>2</sup>

**2009**

- 🚢 New build tender rig<sup>3</sup>
- 🚢 New build DP2 vessel<sup>3</sup>
- 🚢 New build DP2 DSV (chartered with purchase option)<sup>3</sup>

(1) Expected delivery. Three year contract.

(2) Expected delivery. No yard contract award yet

(3) Shipyard contracts awarded, project commenced

**Expand capacity to meet market demand**

# OUTLOOK AND RECENT DEVELOPMENTS

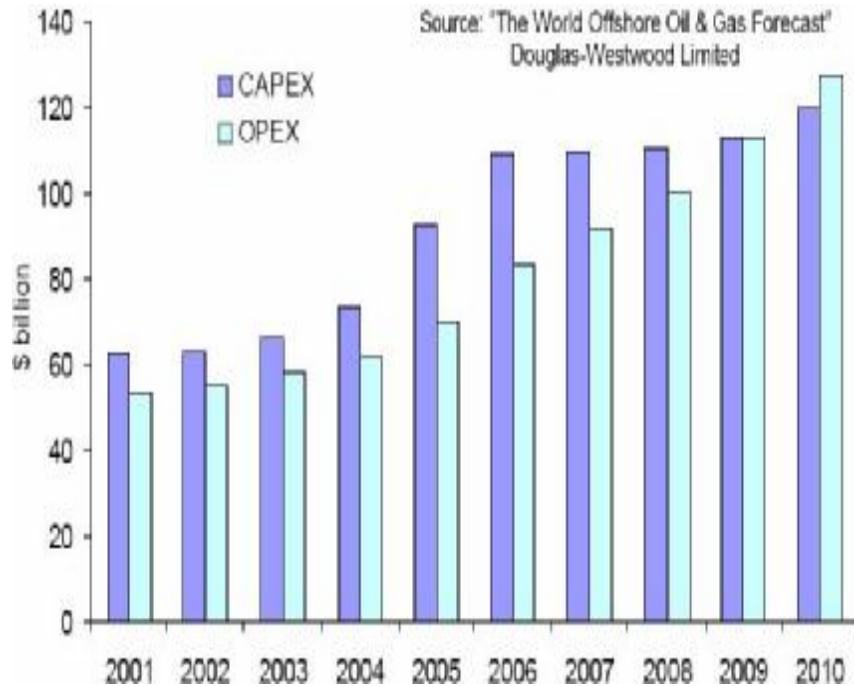




# Economic growth and record oil prices driving E&P activity

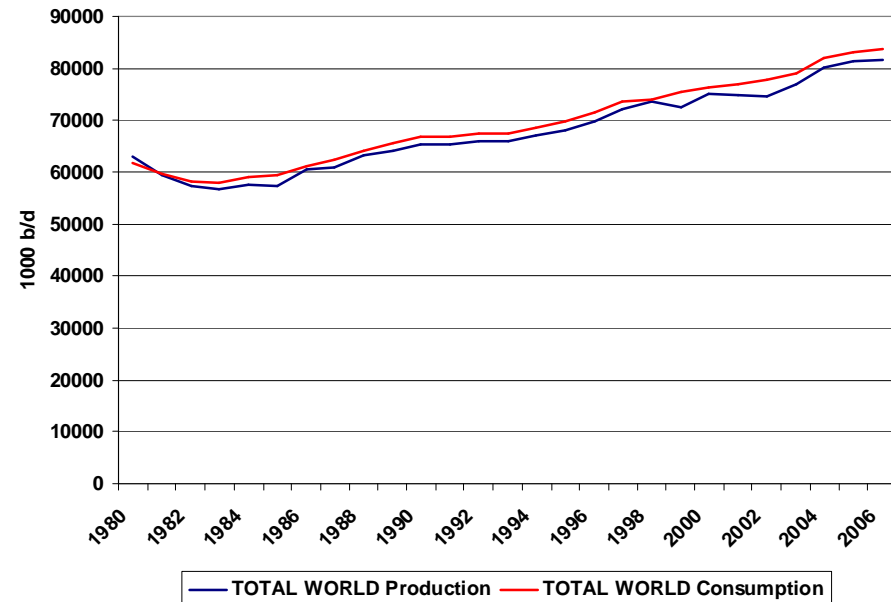


## Spending on offshore E&P activities (US\$bn)



Source: Douglas-Westwood, June 2006

## World Oil production and consumption



Source: BP Statistical Review of World Energy June 2007

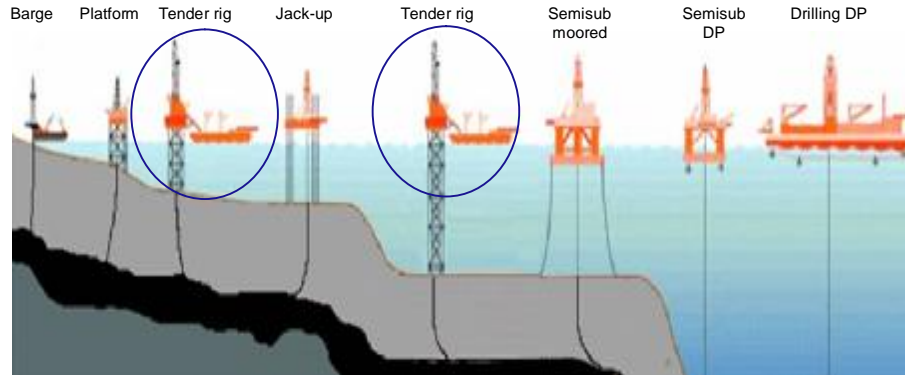
**Prices significantly above E&P companies hurdle rates**

**Strong global consumption expected to continue**

**Increasing E&P capex to continue with demand outpacing supply**

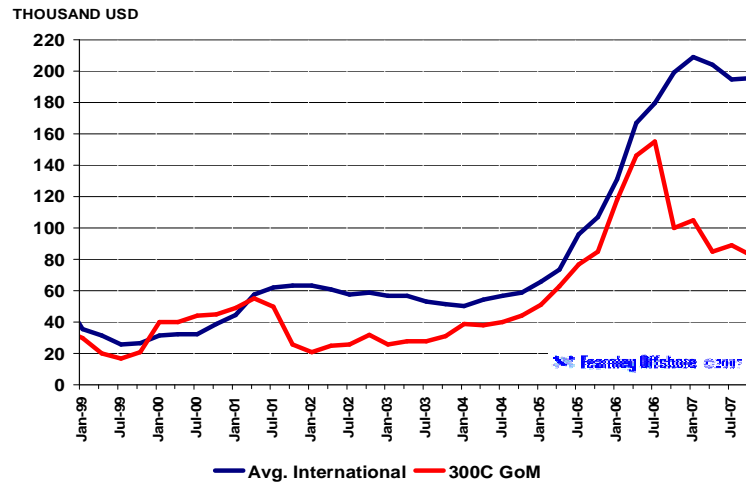


# Tender drilling rigs ideally suited for SEA and West Africa conditions



## Historical jack-ups day rates

AVERAGE DAYRATES  
300IC JACKUP DRILLING UNITS



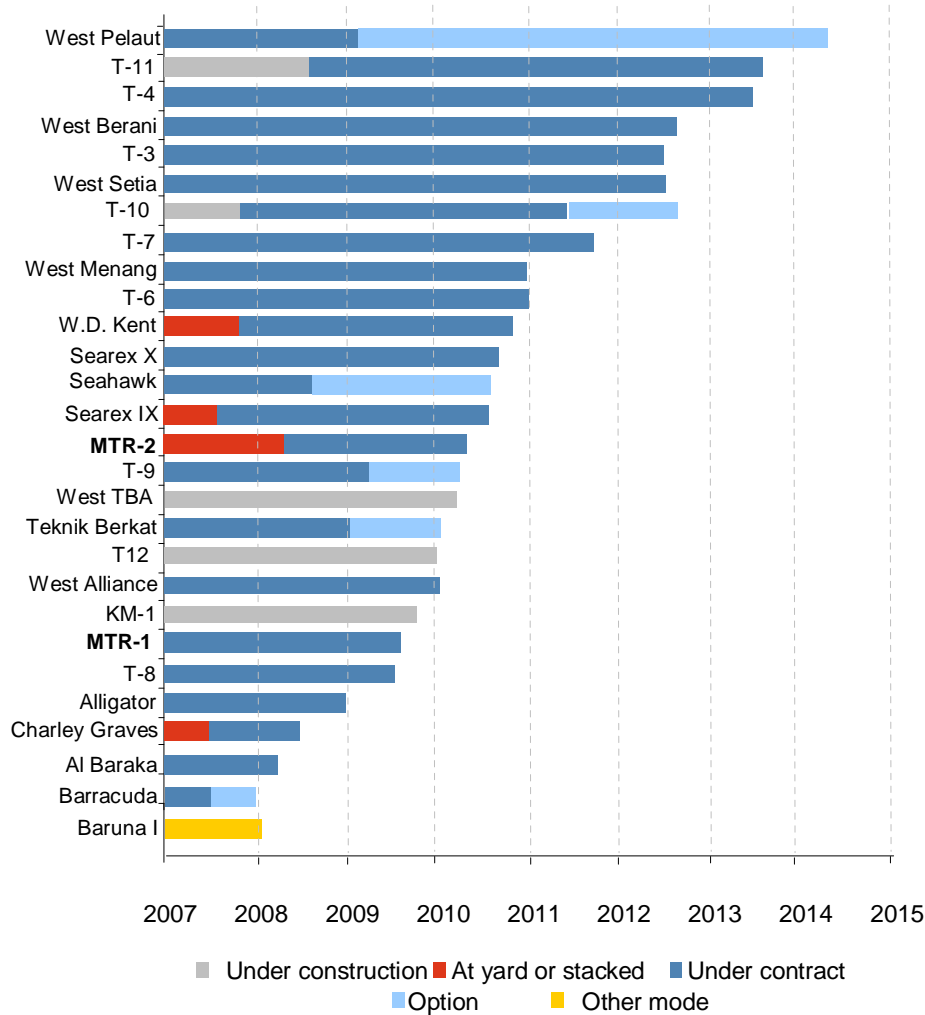
- Cost-efficient, flexible systems
- Advantages over jack-ups
  - Lower operating cost
  - No restriction with sub-sea congestion
  - Increased water depth capabilities
- Recent day rates correlated to jack-ups



# Tender fleet continues to be fully employed with newbuilds commencing long term contracts on delivery



## Global fleet of tender rigs



Source: RS Platou/Seadrill/Mermaid

- Tender barges service the production sector – no capability for stand alone drilling
- More than 75% of tender fleet operates in SEA
- Recent tender barge fixtures reported at US\$115 day (GGs); US\$ 125 day (T8)



## Our tender drilling services



### Current



#### Day rates and contracts

Rig	Day-rate	Contract end
MTR-1	US\$70,000	3Q 2009
MTR-2	US\$67,500	2Q 2010

#### Utilization

Rig	FY05	FY06	FY07	Q1.08
MTR-1	100%	100%	51%	89%
MTR-2	N/A	100%	78%	0%

### Recent Developments

#### Existing rigs

- 🚫 MTR 1 – Crane boom, fire, SPS – 178 days downtime FY07
- 🚫 MTR 2 planned to recommence by April 2008 (expected 259 days downtime)

#### New build

- 🚫 Signed 1 new rig at c.US\$136 million
- 🚫 Expected delivery by Nov. 2009
- 🚫 Finalising new build drilling contract
- 🚫 Additional client enquiries received for new build tender rigs

**Doubling drilling fleet capacity to meet anticipated demand**



# Sub-sea engineering services



## Scope of services

- 🔧 Inspection, repair and maintenance
- 🔧 Infrastructure installation (EPIC)
- 🔧 Emergency call out services
- 🔧 Salvage

## Global spending on subsea to remain high



Source: Global Perspectives Subsea Market Update 2008-2012, Infield Systems; Subsea UK, Autumn 2007

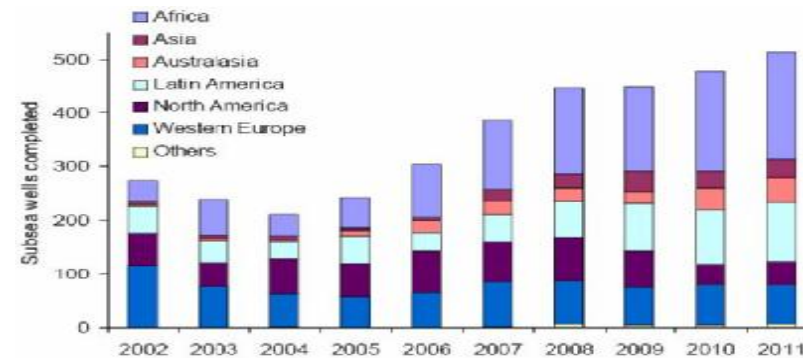
### Driven by

Field development commitments

Increase in deepwater activity

Expansion of existing infrastructure

Increased maintenance of ageing fields



## Increased business opportunities



# Specialised vessels with high tech capabilities in short supply



## Current Fleet

<b>Mermaid Commander</b>	<ul style="list-style-type: none"> <li>- Built in 1987 (DP2)</li> <li>- Purpose-built diving support vessel with saturation systems</li> </ul>
<b>Mermaid Performer</b>	<ul style="list-style-type: none"> <li>- Built in 1982</li> <li>- Purpose-built survey vessel, now equipped with air dive capability</li> </ul>
<b>Mermaid Responder</b>	<ul style="list-style-type: none"> <li>- Built in 1983</li> <li>- Converted to diving support vessel with air and gas mix diving capability</li> </ul>
<b>Mermaid Supporter</b>	<ul style="list-style-type: none"> <li>- Built in 1982</li> <li>- Survey and inspection vessel with in-built air and gas mix diving capability</li> </ul>
<b>Team Siam</b>	<ul style="list-style-type: none"> <li>- Built in 2002 (DP2)</li> <li>- Construction support vessel with diving saturation systems</li> </ul>
<b>Binh Minh</b>	<ul style="list-style-type: none"> <li>- Built in 2002 (DP2)</li> <li>- Customised ROV (Deepwater capability) and air-dive support vessel</li> </ul>

## New build vessels

- 🚢 DP2 DSV ( Q3 09)
- 🚢 AHTS (Q2 08)
- 🚢 DP2 vessel for c. US\$25-30m (Q2 09)
- 🚢 Additional fleet expansion – Board approved

## Acquisition

- 🚢 22.5% stake in Malaysian sub-sea engineering company
- 🚢 80% stake in Hydrographic Survey Company

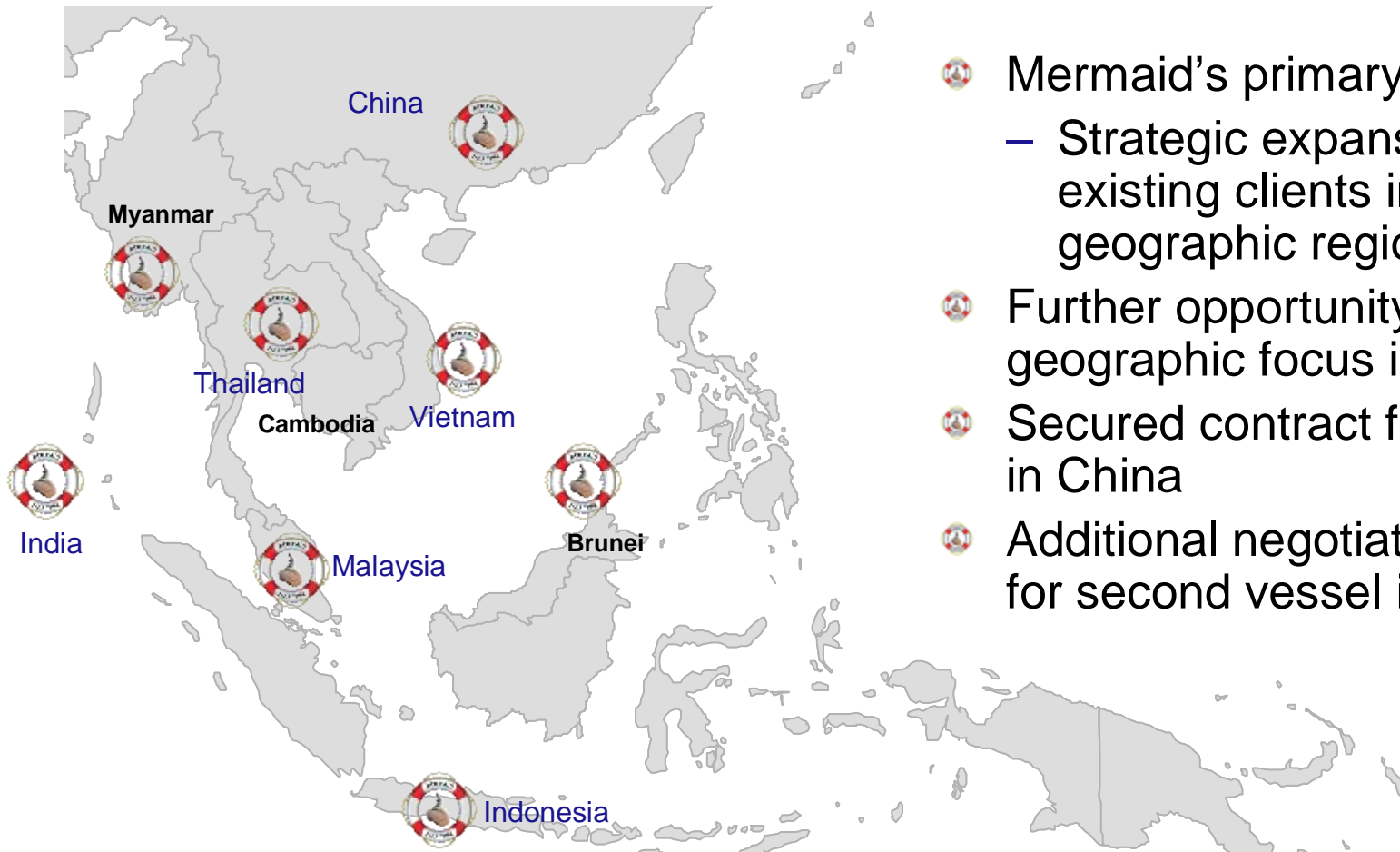


**Expanded capacity and enhanced capabilities**





## High growth region with substantial opportunity for further expansion



- Mermaid's primary focus is in SEA
  - Strategic expansion with existing clients in the same geographic region
- Further opportunity to expand the geographic focus in Asia
- Secured contract for AME vessel in China
- Additional negotiations ongoing for second vessel in China

**Leveraging existing client relationships to expand geographically**

# FINANCIAL OVERVIEW

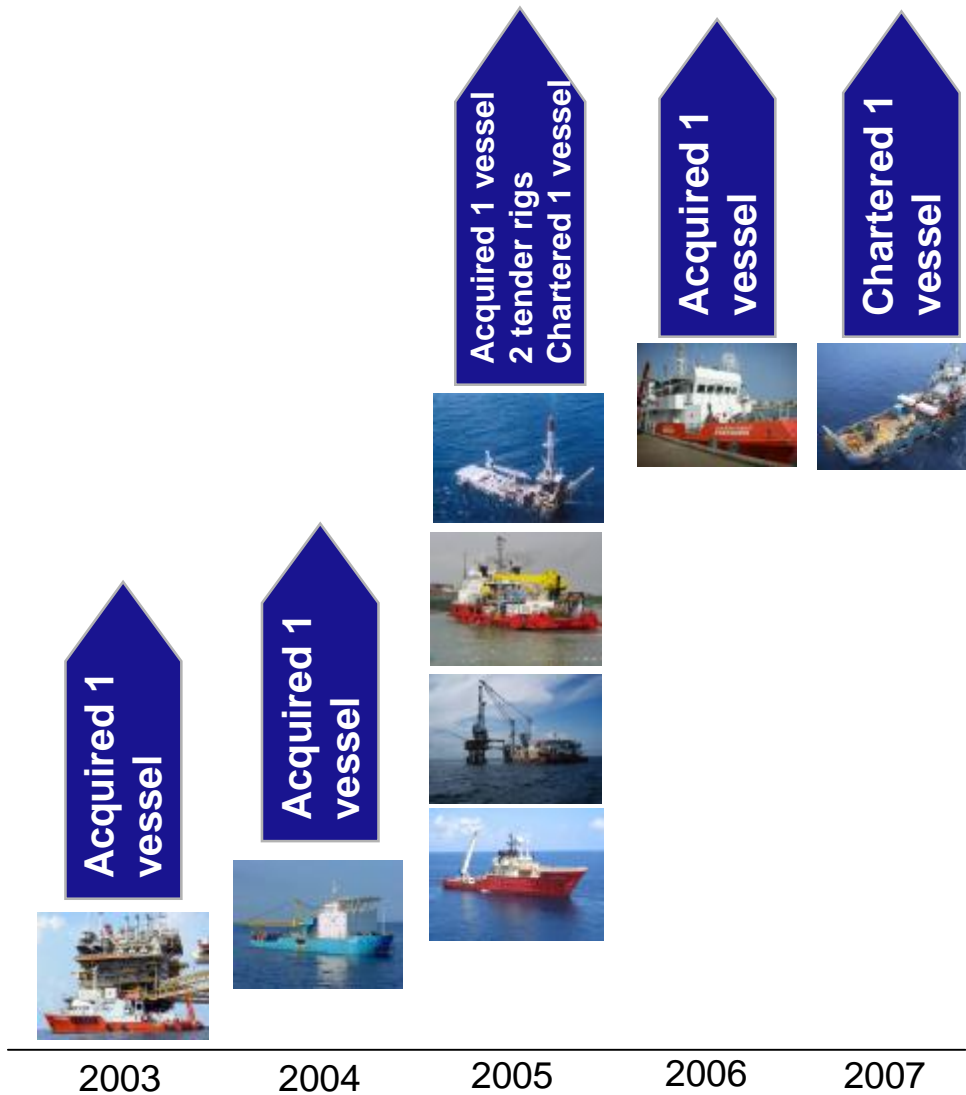




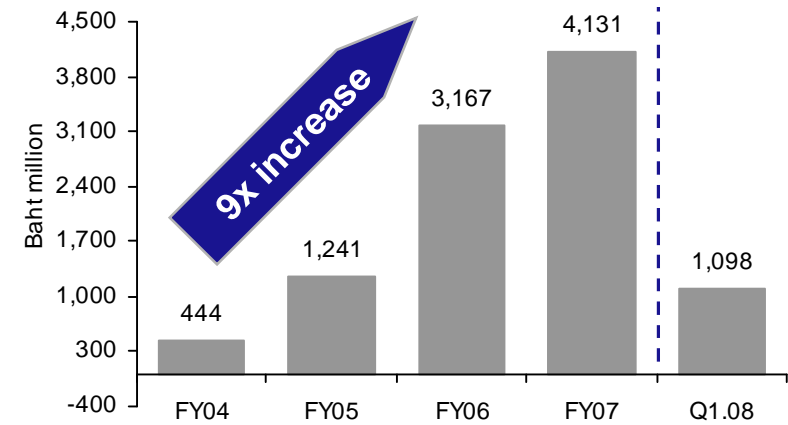
# Growth with asset acquisition



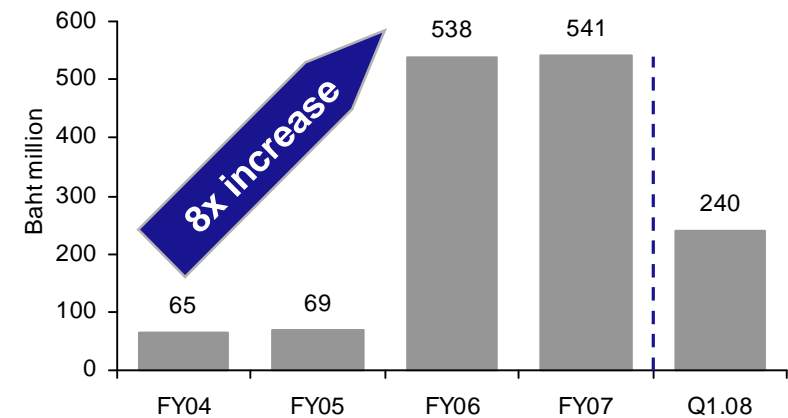
Increased capacity, utilization and charter/day rates have driven growth



## Sales



## Net profit

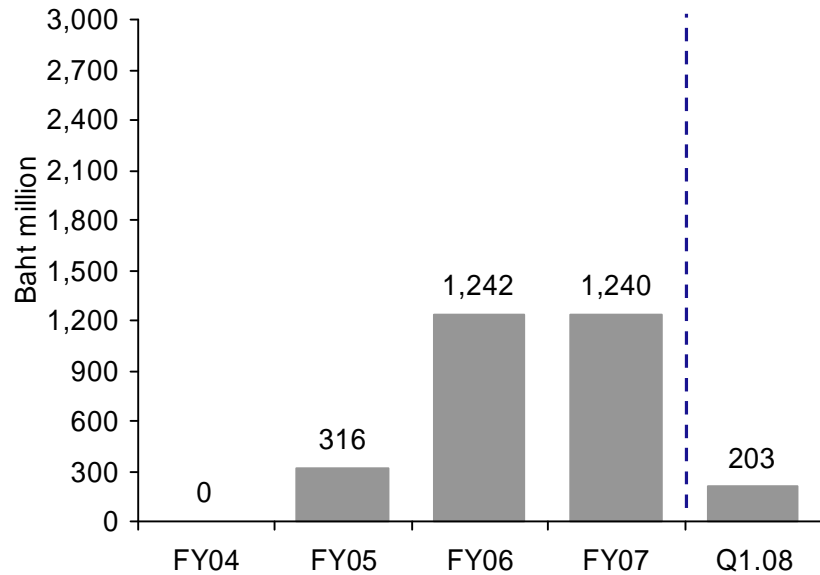




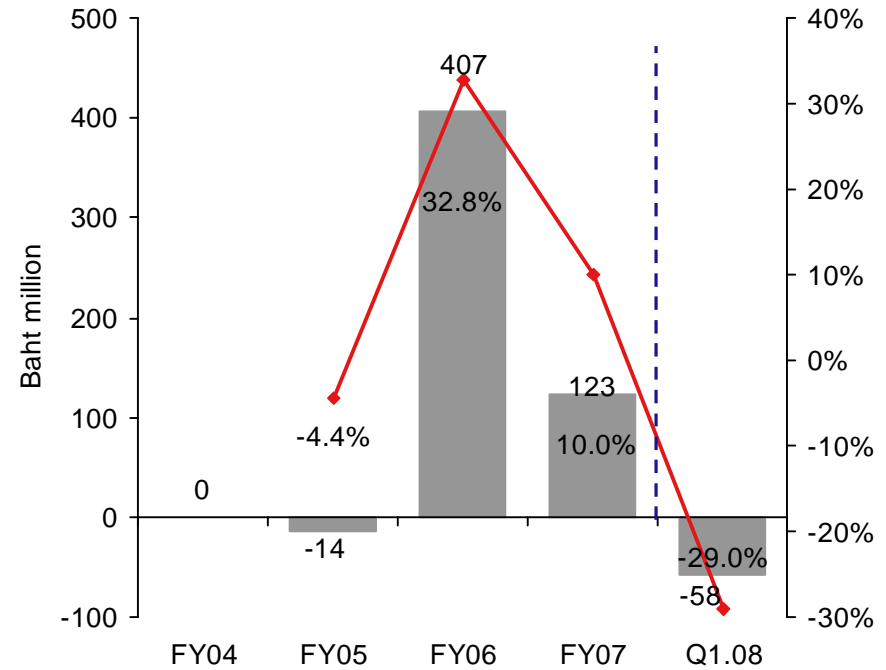
# Drilling faced challenges in 2007; 2<sup>nd</sup> Rig to recommence operation by April 2008



## Sales



## Operating profit and margin (1)



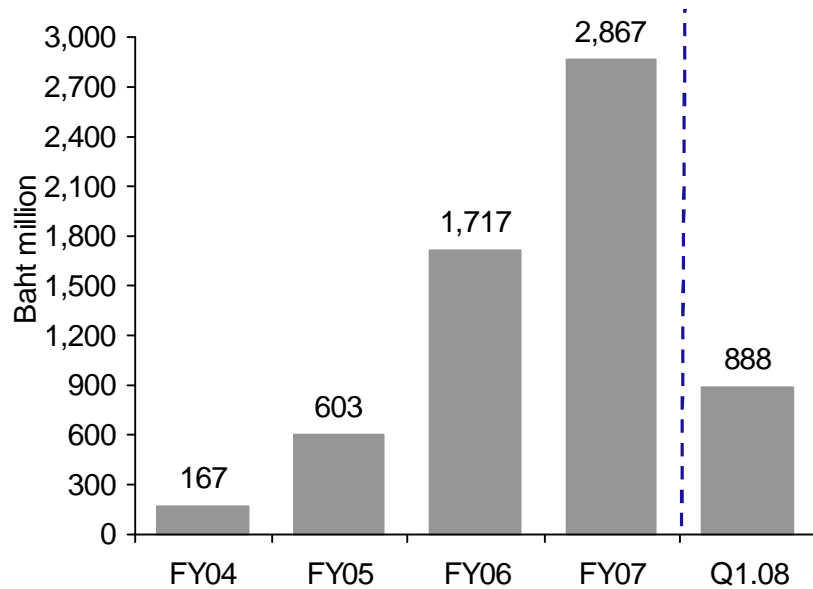
Notes: (1) Post depreciation



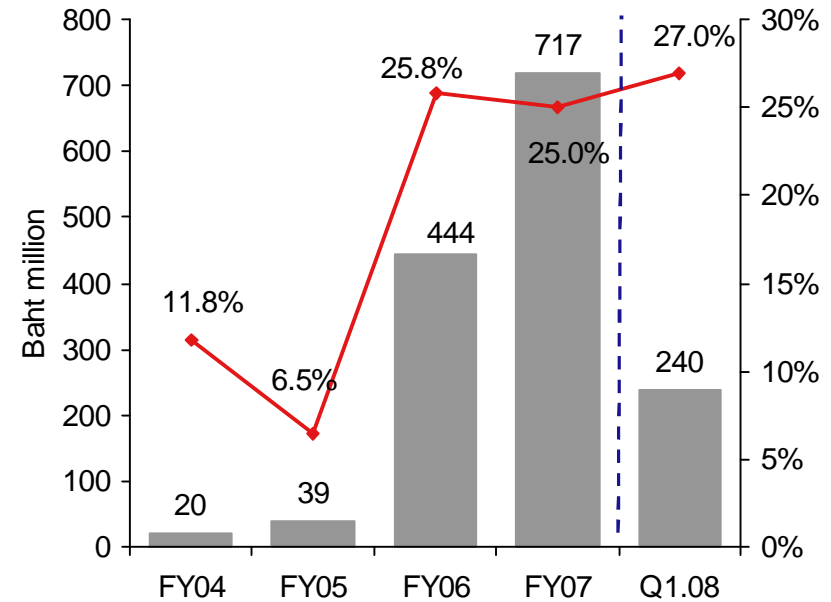
# MOS continues to deliver strong performance



## Sales



## Operating profit and margin (1)



## Successful asset acquisition and integration has driven growth

Notes: (1) Post depreciation



# Strategic expansion – Use of IPO proceeds



**Planned Capex:  
c. US\$250-300m**

**Planned Capex:  
c. US\$65**



**Use of IPO proceeds as at 28 February 2008**

**Executed**

☒ USD 15.3 mil. for newbuild rig

- ☒ USD 10.2 million for subscription share in WCI
- ☒ USD 1.3 million for new saturation
- ☒ USD 5.3 mil. for new DP2 ROV vessel

**Future**

- ☒ USD 35.7 mil. for newbuild rig
- ☒ USD 51 mil. for plan 2<sup>nd</sup> newbuild rig

- ☒ USD10.8 million for subscription share in hydrographic survey company
- ☒ USD 10.0 million for new sat diving system
- ☒ USD 7.5 mil. for new DP2 ROV vessel

**Expected leverage on  
newbuild rigs 50%**

**Expected leverage on newbuild  
vessels 60 – 70%**

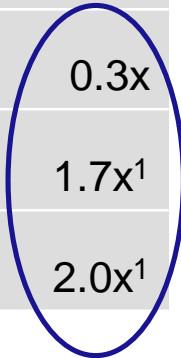


## Strong balance sheet...



(Baht million)	FY04	FY05	FY06	FY07	Q1.08
Shareholders' equity	685	1,833	2,385	2,895	8,637
Total debt	174	2,401	2,680	2,402	2,171
Cash and cash equivalents	191	133	185	512	4,651
<b>Ratio analysis</b>					
Total debt / equity	n/m	1.3x	1.1x	0.8x	0.3x
Total debt/ EBITDA	n/m	8.2x	2.2x	1.9x	1.7x <sup>1</sup>
Total Debt/ operating cash flow	n/m	n/m	10.5x	2.7x	2.0x <sup>1</sup>

Healthy ratios ensures sufficient balance sheet capacity for future expansion



<sup>1</sup> Equivalent to annual for comparison

**...maintained through high growth phase**

# CONCLUSION







## Strong competitive position

