



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

MERMAID ACQUIRES SEASCAPE SURVEYS PTE. LTD.

Mermaid acquires 80% shareholding in Seascapc Surveys Pte. Ltd., a company providing hydrographic survey and positioning services to the offshore oil and gas industry. This strategic acquisition enhances Mermaid's ability to provide a range of "in-house" high quality sub-sea engineering services.

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 07 February 2008 entered into a Share Sale Agreement with Seascapc Pacific Ltd. ("Seascapc Pacific") for the purchase of 80 (Eighty) ordinary shares in Seascapc Surveys Pte. Ltd. ("Seascapc Surveys") from Seascapc Pacific representing 80% (Eighty Percent) of Seascapc Surveys' total issued and paid up share capital (the "Share Acquisition").

2. Information about Seascapc Surveys

Seascapc Surveys was incorporated on 24 November 2004 as a limited liability company in Singapore. Its registered office is at 141 Cecil Street, #03-02 Tung Ann Association Building, Singapore 069541. Its current issued and paid up capital is 100 (One Hundred) ordinary shares of SGD 1.00 each, all owned by Seascapc Pacific.

Seascapc Surveys has two subsidiaries: P.T. Seascapc Surveys Indonesia, a company incorporated in the Republic of Indonesia with an issued and paid up capital of 100,000 (One Hundred Thousand) ordinary shares of Rp. 9.160 each of which Seascapc Surveys owns 97,000 (Ninety Seven Thousand) ordinary shares of Rp. 9.160 each equivalent to 97% (Ninety Seven Percent) of the total issued and paid up capital of P.T. Seascapc Surveys Indonesia; and Seascapc Inspection Services Pte. Ltd., a company incorporated in Singapore with an issued and paid up capital of 100 (one hundred) ordinary shares of SGD 1.00 each of which Seascapc Surveys owns 100% (one hundred percent).

Seascapc Surveys and its subsidiaries provide hydrographic survey and positioning services, primarily to the offshore oil and gas industry in the South East Asian region. This range of services includes survey and positioning services in support of exploration, inspection, construction and production activities.



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Subsequent to the Share Acquisition, MOS will become the registered owner of 80% (Eighty Percent) of Seascope Surveys' total issued and paid up share capital with the existing owners, Seascope Pacific, retaining the other 20% (Twenty Percent). The existing Seascope Surveys management team shall be entering into management lock-up agreements with Seascope Surveys (see Conditions Precedent).

As part of MOS's commitment to enhance its Thai based services, MOS and Seascope Pacific also plan to incorporate Seascope Surveys (Thailand) Limited ("Seascope Thailand"). The company will have an issued and paid up capital of THB 26,500,000 (Thai Baht Twenty Six Million Five Hundred Thousand) comprising 2,650,000 (Two Million Six Hundred and Fifty Thousand) ordinary shares of THB 10.00 each. MOS will own 80% (Eighty Percent) and Seascope Pacific will own 20% (Twenty Percent) of the issued and paid up capital of Seascope Thailand. Seascope Thailand will purchase necessary survey and positioning equipment currently used by Seascope Surveys (the "Asset Purchase") from Seascope Surveys Pty. Ltd. based in Australia ("Seascope Australia") a company sharing common directors with Seascope Pacific.

3. Rationale for the Share Acquisition and Asset Purchase

Seascope Surveys is currently MOS's largest sub-contractor, complementing MOS's range of services to the offshore oil and gas industry. This strategic Share Acquisition by MOS will allow integration of Seascope Surveys' assets and skilled personnel, enabling MOS to provide a comprehensive range of high quality sub-sea engineering services.

Seascope Surveys currently leases certain survey and positioning equipment from Seascope Australia. This complementing Asset Purchase will enable MOS to own and access these assets through Seascope Thailand.

4. Consideration

The consideration to be paid by MOS to Seascope Pacific for the Share Acquisition is as follows:

1st Payment: USD 400,000 (United States Dollars Four Hundred Thousand Only) upon execution of the Share Sale Agreement.

2nd Payment: USD 4,960,000 (United States Dollars Four Million Nine Hundred and Sixty Thousand Only) upon completion of the Share Sale Agreement (subject to



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Conditions Precedent) on or before 21 February 2008. The shares subject to the Share Acquisition shall be transferred to MOS upon completion.

3rd Payment: An amount based upon a formula of 20% of EBITDA x 5 of the Seascope Surveys Group for the calendar year 2009 (01 January 2009 – 31 December 2009) payable within 10 (Ten) business days after release of the audited quarterly results of the Seascope Group for the financial quarter ending 31 December 2009. This performance based formula is designed to encourage the growth of the Seascope Group by its retained management team.

4th Payment: An amount based upon a formula of 20% of EBITDA x 5 of the Seascope Surveys Group for the calendar year 2011 (01 January 2011 – 31 December 2011) payable within 10 (Ten) business days after release of the audited quarterly results of the Seascope Group for the financial quarter ending 31 December 2011. This performance based formula is designed to encourage the growth of the Seascope Group by its retained management team.

Note: In the above payment milestones, “EBITDA” means earnings before interest expense, income tax, depreciation and amortization and “Seascope Group” means Seascope Surveys and its subsidiaries including Seascope Thailand.

The consideration to be paid by Seascope Thailand to Seascope Australia for the Asset Purchase is USD 800,000 (United States Dollars Eight Hundred Thousand Only) payable upon delivery of the equipment to Seascope Thailand.

The consideration for the Share Acquisition and the Asset Purchase was arrived based on negotiations on a willing-buyer willing-seller basis with regard to current market conditions and is within fair value as assessed by Mermaid based on the current market value of the assets and future growth and earnings potential of Seascope Surveys. The 1st and 2nd payment for the Share Acquisition and the payment for the Asset Purchase has been funded through an increase in the issued share capital of MOS which was fully subscribed by Mermaid out of the proceeds received from the initial public offering (“IPO”) of the shares of Mermaid. The 3rd and 4th payment for the shares will be funded through retained consolidated earnings of MOS and is based on a formula designed to encourage growth.

5. Conditions Precedent

The Share Acquisition is subject to the following conditions precedent: (a) approval by relevant government authorities; (b) release of encumbrances over the sale shares (if any); (c) no material adverse change in the business of Seascope Surveys



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and its subsidiaries between date of signing and date of completion; and (d) execution of management lock-in agreements between existing key management personnel and Seascope Surveys (duration of 3-4 years).

The Asset Purchase is subject to the following conditions precedent: (a) the incorporation of Seascope Thailand.

6. **Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")**

In order to determine the classification of the Share Acquisition and Asset Purchase which shall be considered as one transaction, 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 Share Acquisition and Asset Purchase.

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

The net profit of Mermaid as at 30 September 2007 (latest audited consolidated financial statement) was THB 541,081,756.

The net profit of Seascope Surveys and its subsidiaries including the net profits of Seascope Australia attributed to the assets to be purchased as at 31 December 2007 (based upon un-audited final management accounts disclosed to Mermaid) was USD 2,699,020. This is equivalent to THB 89,175,621 (based on an exchange rate of USD 1.00 = THB 33.04).

Therefore, the net profits attributable to the Share Acquisition and Asset Purchase compared with Mermaid's net profits based on the above calculation is 16.48%.

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

The consideration of USD 6,160,000 (being the 1st and 2nd payment for the Share Acquisition and the consideration for the Asset Purchase) is equivalent to approximately SGD 8,685,600 (based on the exchange rate of USD 1.00 = SGD 1.41). This represents 1.52% of Mermaid's market capitalization of SGD 572,752,886 million. The market capitalization is computed based on the



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weighted average price of Mermaid's shares transacted on 06 February 2007 (SGD 1.0947), being the market day preceding the date of the contract signing, multiplied by the number of shares in issue (523,205,340 shares).

Mermaid will make separate announcements via SGXNET when the 3rd and 4th payment for the Share Acquisition are known and made.

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

The equity securities test is not applicable to the Share Acquisition and Asset Purchase as no equity securities are being issued as consideration for the Share Acquisition and Asset Purchase.

Having regard to the above, the Share Acquisition and Asset Purchase is a "Disclosable Transaction" under Rule 1010 of the Listing Manual.

7. Financial Effects

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

- (a) Assuming that the Share Acquisition and Asset Purchase 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:

	Before	After
NTA (THB'000)	2,986,035 [a]	3,134,111 [b]
NTA per share (THB) [c]	5.71	5.99
NTA per share (SGD) [d]	0.24	0.25

Note:

[a] NTA of Mermaid 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] Additional NTA from the Share Acquisition and Asset Purchase were based upon un-audited final management accounts disclosed to Mermaid, an



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exchange rate of USD 1.00 = THB 33.04 and assumption of 100% equity funding.

[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 Share Acquisition and Asset Purchase.

[d] based on an exchange rate of SGD 1.00 = THB 23.47.

- (b) Assuming that the Share Acquisition and Asset Purchase had been effected at the beginning of FY2007, the impact on Mermaid's earnings per share ("EPS") is as follows:

	Before Acquisition	After Acquisition
Net Profit (THB'000)	541,082 [a]	630,258 [b]
EPS (THB) [c]	1.034	1.205
EPS (SGD) [d]	0.044	0.051

Note:

[a] Net Profit is calculated based on Thai Generally Accepted Accounting Principles (GAAP).

[b] based on an exchange rate of USD 1.00 = THB 33.04.

[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 Share Acquisition and Asset Purchase.

[d] based on an exchange rate of SGD 1.00 = THB 23.47.

8. Interest of Directors and Controlling Shareholders

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



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9. Documents for Inspection

A copy of the relevant contracts for the Share Acquisition and Asset Purchase may be inspected at the registered office of Mermaid at 26/28-29, Orakarn Building 9th Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Vincent Siaw
Company Secretary
07 February 2008

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.