



Mermaid Maritime Public Company Limited

บริษัท เมอร์เมด มาร์ไทม์ 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 EXPANDS DEEP WATER SUBSEA CAPABILITIES BY

PURCHASE OF TWO (2) HEAVY CONSTRUCTION CLASS DEEP WATER ROVs

UK manufactured "Triton XLX" class remotely operated vehicles ("ROVs") with depth capabilities of up to 3000 meters opens additional opportunities for Mermaid in the deep water and ultra deep water ROV markets.

1. Introduction

Mermaid Maritime Public Company Limited ("Mermaid") wishes to announce that its wholly owned subsidiary, Mermaid Offshore Services Ltd. ("MOS"), had on 20 February 2009 entered into sale and purchase agreements with Aquanos Ltd. (UK) ("Seller") for the purchase of two (2) "Triton XLX" class ROVs. The purchase also includes the assignment of a client contract for one of the ROVs (collectively, the "Transaction").

2. Consideration

The total consideration for the Transaction was GBP 3,700,000 (Pounds Sterling Three Million Seven Hundred Thousand). The consideration was concluded after arm's length negotiations, and is considered to be below market value as estimated by the Company after comparing the purchase price with quotations dated 06 February 2009 received from the same manufacturer (Perry Slingsby Systems Inc.) for the construction of ROVs with similar specifications; consideration of the potential revenue stream from the first ROV currently in operation; and other potential earnings from prompt delivery of these ROVs (compared against a longer timeframe if Mermaid had to place new orders with the manufacturer for delivery of new ROVs with similar capabilities).

Payment comprises a deposit equivalent to 25% of the consideration paid on signing of the sale and purchase agreements with the balance to be paid upon delivery of the ROVs. Both ROVs are ready for delivery and are scheduled to be delivered to MOS by no later than 27 February 2009. The majority of the consideration will be funded from borrowings and the remainder from retained earnings of MOS.



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3. Information about the ROVs

The two (2) "Triton XLX" ROVs are heavy work class / construction class ROVs with water depth capabilities of up to 3000 meters. The first ROV is less than three (3) months old and is presently operating on a contract with a potential value of GBP 500,000 (Pounds Sterling Five Hundred Thousand) and scheduled to expire about June 2009 while the second ROV is new and is on standby ready for work. Both ROVs include full manufacturer warranties.

4. Rationale for the Transaction

Acquiring these ROVs with ultra/deep water rating will allow Mermaid to offer a complete ROV solution to prospective clients by opening up access into a growing deep and ultra deep water ROV market. With this capability, Mermaid believes it will be positioned to compete throughout the full ROV range of services. Although Mermaid does not presently operate in the ultra deepwater market segment, Mermaid believes that its reputation for quality of service will allow it to place these units into service. Two primary market opportunities exist: one to Engineering, Procurement, Installation and Commissioning ("EPIC") contractors for ROV intervention and inspection (divers cannot be used due to the water depth) and another to offshore (deepwater) mobile drilling units ("MODU") who may place such ROVs on their rigs on a full time basis.

5. Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual")

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 (which is applicable only to disposal of assets) is not applicable to the Transaction.

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

There are no notable net profits attributable to the Transaction because the two (2) ROVs were recently delivered from the manufacturer to the Sellers with one of them recently commencing a contract and the other not having yet commenced service operations.



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

The consideration of GBP 3,700,000 is equivalent to approximately SGD 8,184,400 (based on the exchange rate of GBP 1.00 = SGD 2.212). This represents 6.43% of Mermaid's market capitalization of SGD 127,183,255. The market capitalization is computed based on the weighted average price of Mermaid's shares transacted on 19 February 2009 (SGD 0.235), being the market day preceding the date of the contract signing, multiplied by the number of shares in issue (541,205,340 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.

Having regard to the above, the Transaction is a "disclosable transaction" under Rule 1010 of the Listing Manual.

6. 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 2008 ("FY2008") are as follows:

- (a) Assuming that the Transaction had been effected at the end of FY2008, the pro forma effects on the consolidated net tangible assets ("NTA") of Mermaid for FY2008 are as follows:

	Before Transaction	After Transaction
NTA (THB'000) [a] [b]	9,673,942	9,741,726
NTA per share (THB) [c]	17.87	18.00
NTA per share (SGD) [d]	0.76	0.76

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.



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[b] based on an exchange rate of GBP 1.00 = THB 61.067 (Bank of Thailand rate as at 30 September 2008) and assumption of 30% equity funding.

[c] based on 541,205,340 issued and paid-up ordinary shares of the Company as at 30 September 2008.

[d] based on an exchange rate of SGD 1.00 = THB 23.608 (Bank of Thailand rate as at 30 September 2008).

- (b) Assuming that the Transaction had been effected at the beginning of FY2008, the pro-forma impact the earnings per share ("EPS") of Mermaid for FY2008 are as follows:

	Before Transaction	After Transaction
Net income (THB'000) [a]	1,162,057 [b]	1,172,743 [c]
EPS (THB) [d]	2.17	2.20
EPS (SGD) [e]	0.09	0.09

Note:

[a] based on an exchange rate of GBP 1.00 = THB 61.067 (Bank of Thailand rate as at 30 September 2008).

[b] based on Mermaid's net income as disclosed in the 2008 Annual Report.

[c] based on the estimated profits from the contract mentioned in the preceding sections (see sections 1 and 3).

[d] based on 534,065,996 weighted average number of issued and paid-up ordinary shares of the Company during the year ended 30 September 2008 as disclosed in the 2008 Annual Report.

[e] based on an exchange rate of SGD 1.00 = THB 23.608 (Bank of Thailand rate as at 30 September 2008).



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7. 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.

8. Documents for Inspection

A copy of the relevant agreements to the Transaction and the manufacturer's comparative quotation 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.

Vincent Siaw
Company Secretary
23 February 2009

For more information about Mermaid, please visit: www.mermaid-maritime.com

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.