



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)  
(Company Registration No. 0107550000017)

### Financial Statements and Dividend Announcement for the Three-Month and Six-Month Periods Ended 31 March 2009

#### PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated		
	For the three-month periods that ended on 31 March		
	2009	2008	Changes
	Baht'000	Baht'000	%
Service income	951,096	1,075,050	-11.5%
Cost of services	(831,064)	(734,390)	13.2%
<b>Gross profits from services</b>	<b>120,032</b>	<b>340,660</b>	<b>-64.8%</b>
Service and administrative expenses	(133,496)	(296,023)	-54.9%
Interest income	1,109	3,309	-66.5%
Gains (losses) on exchange rates	15,357	(16,077)	-195.5%
Net gains on disposal and write off of property, plant, and equipment	3,477	766	353.9%
Other income	9,981	70,121	-85.8%
<b>Operating profits (losses)</b>	<b>16,460</b>	<b>102,756</b>	<b>-84.0%</b>
Share of profits (losses) of investments	(11,903)	7,428	-260.2%
<b>Profits (losses) before interest expenses and income taxes</b>	<b>4,557</b>	<b>110,184</b>	<b>-95.9%</b>
Interest expenses	(20,027)	(30,789)	-35.0%
<b>Profits (losses) before income taxes</b>	<b>(15,470)</b>	<b>79,395</b>	<b>-119.5%</b>
Income taxes	(39,133)	34,492	-213.5%
<b>Net profits (losses) for the period</b>	<b>(54,603)</b>	<b>113,887</b>	<b>-147.9%</b>
<b>Attributable to:</b>			
Shareholders of the parent	(58,990)	113,173	
Minority interests	4,387	714	
	<b>(54,603)</b>	<b>113,887</b>	
<b>Notes to the income statements</b>			
Depreciation and amortisation	136,660	138,317	



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	<b>Consolidated</b>		
	<b>For the six-month periods that ended on 31 March</b>		
	<b>2009</b>	<b>2008</b>	<b>Changes</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>%</b>
Service income	2,533,705	2,172,956	16.6%
Cost of services	(1,952,600)	(1,446,265)	35.0%
<b>Gross profits from services</b>	<b>581,105</b>	<b>726,691</b>	<b>-20.0%</b>
Service and administrative expenses	(244,297)	(533,976)	-54.2%
Interest income	14,374	18,442	-22.1%
Gains (losses) on exchange rates	17,764	2,160	722.4%
Net gains on disposal and write off of property, plant, and equipment	20,197	1,280	1477.9%
Other income	12,119	71,551	-83.1%
<b>Operating profits (losses)</b>	<b>401,262</b>	<b>286,148</b>	<b>40.2%</b>
Share of profits (losses) of investments	(15,861)	10,769	-247.3%
<b>Profits (losses) before interest expenses and income taxes</b>	<b>385,401</b>	<b>296,917</b>	<b>29.8%</b>
Interest expenses	(52,045)	(68,726)	-24.3%
<b>Profits (losses) before income taxes</b>	<b>333,356</b>	<b>228,191</b>	<b>46.1%</b>
Income taxes	(74,394)	126,987	-158.6%
<b>Net profits (losses) for the period</b>	<b>258,962</b>	<b>355,178</b>	<b>-27.1%</b>
<b>Attributable to:</b>			
Shareholders of the parent	248,390	353,452	
Minority interests	10,572	1,726	
	<b>258,962</b>	<b>355,178</b>	
<b>Notes to the income statements</b>			
Depreciation and amortisation	275,461	269,444	



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## 1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Consolidated		Company	
	Unaudited 31 March 2009 Baht'000	Audited 30 September 2008 Baht'000	Unaudited 31 March 2009 Baht'000	Audited 30 September 2008 Baht'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,441,716	1,726,430	1,426,516	1,141,842
Trade accounts receivable - others, net	882,557	1,461,783	-	-
Trade accounts receivable - related parties	86	152	-	-
Amounts due from related parties	1,544	14,252	419,404	275,692
Short-term loans to related parties	-	1,147,989	910,534	2,080,811
Supplies and spare parts	123,029	147,515	-	-
Other current assets	131,798	358,112	16,560	16,955
<b>Total current assets</b>	<b>3,580,730</b>	<b>4,856,233</b>	<b>2,773,014</b>	<b>3,515,300</b>
<b>Non-current assets</b>				
Investments in subsidiaries - cost method	-	-	4,324,583	3,543,392
Investments in associates - equity method	389,435	405,296	-	-
Long-term investments - other	75,758	-	-	-
Property, plant, and equipment, net	8,710,246	7,492,276	197,993	208,054
Goodwill	264,380	180,898	-	-
Intangible assets, net	17,266	16,942	1,302	4,097
Deferred tax assets	202,471	213,605	-	-
Other non-current assets	98,334	14,352	569	569
<b>Total non-current assets</b>	<b>9,757,890</b>	<b>8,323,369</b>	<b>4,524,447</b>	<b>3,756,112</b>
<b>Total assets</b>	<b>13,338,620</b>	<b>13,179,602</b>	<b>7,297,461</b>	<b>7,271,412</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade accounts payable - others	318,159	327,150	-	-
Trade accounts payable - related parties	6,496	-	-	-
Other accounts payable	239,084	952,140	1,542	2,312
Amounts due to related parties	15	51	17	17
Current portion of long-term loans from financial institutions	429,969	416,570	24,800	24,800
Current portion of finance lease liabilities	3,405	4,587	1,402	1,845
Income taxes payable	58,896	20,210	-	-
Accrued expenses	149,321	74,813	898	606
Other current liabilities	55,493	176,926	10,139	10,865
<b>Total current liabilities</b>	<b>1,260,838</b>	<b>1,972,447</b>	<b>38,798</b>	<b>40,445</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institutions	1,745,898	1,521,857	48,400	60,800
Finance lease liabilities	5,012	5,983	151	659
Retirement benefit obligations	8,755	5,373	2,513	2,065
<b>Total non-current liabilities</b>	<b>1,759,665</b>	<b>1,533,213</b>	<b>51,064</b>	<b>63,524</b>
<b>Total liabilities</b>	<b>3,020,503</b>	<b>3,505,660</b>	<b>89,862</b>	<b>103,969</b>
<b>Shareholders' equity</b>				
Share capital				
Registered share capital	544,903	674,537	544,903	674,537
Issued and fully paid up	541,205	541,205	541,205	541,205
Premium on share capital	6,470,791	6,470,791	6,470,791	6,470,791
Translation adjustments for investments in foreign subsidiaries	67,941	(24,536)	-	-
Retained earnings				
Appropriated - legal reserve	39,717	39,717	39,717	39,717
Unappropriated	2,509,901	2,261,511	155,886	115,730
Total parent's shareholders' equity	9,629,555	9,288,688	7,207,599	7,167,443
Minority interests	688,562	385,254	-	-
<b>Total shareholders' equity</b>	<b>10,318,117</b>	<b>9,673,942</b>	<b>7,207,599</b>	<b>7,167,443</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,338,620</b>	<b>13,179,602</b>	<b>7,297,461</b>	<b>7,271,412</b>



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### 1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 31 March 2009		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	229,349	204,025	<b>433,374</b>
Amount repayable after one year (*)	888,765	862,145	<b>1,750,910</b>

	As at 30 September 2008		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (*)	308,554	112,603	<b>421,157</b>
Amount repayable after one year (*)	1,221,487	306,353	<b>1,527,840</b>

(\*) Including bank overdrafts, short-term loans from financial institutions, and current portions of long-term loans and finance leases, if any.

As at 31 March 2009, one land and building, one saturation diving system, one remotely operated vehicle (ROV), and two tender rigs were mortgaged with various banks as collateral for the group's borrowings and debt securities. For more details, please read the notes to the interim consolidated and Company financial statements for the period that ended on 31 March 2009, which are available in the SGX's website or the Company's website.



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### 1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated	
	For the six-month periods that ended 31 March	
	2009	2008
	Baht'000	Baht'000
<b>Cash flows from operating activities</b>		
Profits (losses) before income taxes	333,356	228,191
Adjustments for:		
Depreciation	270,052	265,842
Amortisation of intangible assets	5,409	3,602
Interest expenses	52,045	68,726
Net gains on disposal of property, plant, and equipment	(20,197)	(1,280)
Write-off of property, plant, and equipment	531	-
Realised (gains) losses on exchange rates	(36,585)	(25,179)
Unrealised (gains) losses on exchange rates	50,433	(25,463)
Retirement benefit obligations	3,382	1,194
Share of (profits) losses of investment in associates	15,861	(10,769)
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)		
- Trade accounts receivable - others	629,707	(3,957)
- Trade accounts receivable - related parties	66	237
- Amounts due from related parties	12,708	(1,712)
- Supplies and spare parts	24,486	(16,798)
- Other current assets	253,098	1,491
- Other non-current assets	(83,982)	41,870
- Trade accounts payable - others	(8,991)	(25,225)
- Trade accounts payable - related parties	6,496	(46,258)
- Other accounts payable	(765,309)	(11,783)
- Amounts due to related parties	(36)	(1,268)
- Accrued expenses	73,121	(53,590)
- Other current liabilities	(100,952)	(50,553)
Cash generated from operations	714,699	337,318
- Interest paid	(50,659)	(68,726)
- Income taxes paid	(45,056)	(32,947)
<b>Net cash inflows (outflows) from operating activities</b>	<b>618,984</b>	<b>235,645</b>



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	<b>Consolidated</b>	
	<b>For the six-month periods that ended 31 March</b>	
	<b>2009</b>	<b>2008</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Cash flows from investing activities</b>		
Repayment of short-term loans to related parties	1,140,394	-
Short-term loans provided to related parties	-	(30,792)
Payments for investments in subsidiaries	(83,482)	-
Payments for investments in associates	-	(373,134)
Payment for long-term investment	(75,758)	-
Proceeds from disposals of property, plant, and equipment	28,625	13,650
Proceeds from disposals of intangible assets	2,435	-
Purchases of property, plant, and equipment	(1,347,541)	(1,534,798)
Purchases of intangible assets	(7,512)	(3)
<b>Net cash inflows (outflows) from investing activities</b>	<b>(342,839)</b>	<b>(1,925,077)</b>
<b>Cash flows from financing activities</b>		
Net payments for bank overdrafts	-	(20,274)
Proceeds from short-term loans from financial institutions	-	41,514
Repayments on short-term loans from financial institutions	-	(243,092)
Repayments on finance lease liabilities	(2,098)	(2,589)
Proceeds from long-term loans from financial institutions	713,167	-
Repayments on long-term loans from financial institutions	(540,469)	(198,717)
Payments on capital investment to minorities	-	(90,547)
Proceeds from issuance of share capital	-	158,000
Proceeds from share premium	-	5,247,076
Proceeds from issuance of share capital received from minorities	260,534	172,568
<b>Net cash inflows (outflows) from financing activities</b>	<b>431,134</b>	<b>5,063,939</b>
Net increase in cash and cash equivalents	707,279	3,374,507
Cash and cash equivalents at beginning of period	1,726,430	511,700
Effects of exchange rate changes	8,007	(89,867)
<b>Cash and cash equivalents at the end of period</b>	<b>2,441,716</b>	<b>3,796,340</b>



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**1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Consolidated 2009						Unit : Baht' 000
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Minority interests	Total
<b>Beginning balance as at 1 October 2008</b>	541,205	6,470,791	(24,536)	39,717	2,261,511	385,254	9,673,942
Issued share capital in subsidiary	-	-	-	-	-	260,534	260,534
Net profit for the period	-	-	-	-	248,390	10,572	258,962
Translation adjustments for investments in foreign subsidiaries	-	-	92,477	-	-	32,202	124,679
<b>Ending balance as at 31 March 2009</b>	541,205	6,470,791	67,941	39,717	2,509,901	688,562	10,318,117

	Company 2009				Unit : Baht' 000
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated retained earnings	Total
<b>Beginning balance as at 1 October 2008</b>	541,205	6,470,791	39,717	115,730	7,167,443
Net profit for the period	-	-	-	40,156	40,156
<b>Ending balance as at 31 March 2009</b>	541,205	6,470,791	39,717	155,886	7,207,599



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	Consolidated 2008						Unit : Baht'000
	Issued and	Premium on	Translation adjustments	Legal reserve	Unappropriated	Minority	Total
	paid-up	share capital	for investments in		retained	interests	
<b>Beginning balance as at 1 October 2007</b>	383,205	1,226,352	496	5,720	1,139,217	140,044	2,895,034
Issued share capital	158,000	5,247,076	-	-	-	172,568	5,577,644
Return of capital investment from a subsidiary	-	-	-	-	-	(90,547)	(90,547)
Net profit for the period	-	-	-	-	353,452	1,726	355,178
Legal reserve	-	-	-	27,054	(27,054)	-	-
Translation adjustments for investments in foreign subsidiaries	-	-	21,033	-	-	1,719	22,752
<b>Ending balance as at 31 March 2008</b>	541,205	6,473,428	21,529	32,774	1,465,615	225,510	8,760,061

	Company 2008				Unit : Baht'000
	Issued and	Premium	Legal reserve	Unappropriated	Total
	paid-up	on share capital		retained	
<b>Beginning balance as at 1 October 2007</b>	383,205	1,226,352	5,720	10,865	1,626,142
Issued share capital	158,000	5,247,076	-	-	5,405,076
Net profits for the period	-	-	-	(61,774)	(61,774)
Legal reserve	-	-	27,054	(27,054)	-
<b>Ending balance as at 31 March 2008</b>	541,205	6,473,428	32,774	(77,963)	6,969,444





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**1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were certain changes in registered share capital during the three-month period that ended on 31 March 2009 as mentioned below.

At the annual General Meeting No. 1/2009 held on 29 January 2009, there were certain significant matters approved by the Company's shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 674,537,393 to Baht 541,903,340 by means of the cancellation of 132,634,053 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated from the initial public offering and the 2008 Employee Share Option Plan. The reduction in the registered share capital was recorded with the Ministry of Commerce in Thailand on 10 February 2009.
- The 2009 Employee Share Option Plan ("ESOP 2009") and to issue and offer up to 3,000,000 warrants to employees (including any employees who are directors) of the Company or subsidiaries under ESOP 2009 pursuant to its terms.
- An increase in the registered share capital of the company from Baht 541,903,340 to Baht 544,903,340 by means of the issuance of 3,000,000 ordinary shares with a par value of Baht 1 each. The increase in the registered share capital was recorded with the Ministry of Commerce in Thailand on 11 February 2009.
- The allocation of 3,000,000 new ordinary shares from the increase in registered capital for distribution under the ESOP 2009.

There was no change in registered share capital during the three-month period that ended on 31 March 2008.

There was no transaction of treasury shares during the three-month periods that ended on 31 March 2009 and 31 March 2008.

As at 31 March 2009 and 31 March 2008, the registered share capital of the Company was Baht 544,903,340 and Baht 674,537,393, respectively.

As at 31 March 2009 and 31 March 2008, the paid-up share capital of the Company was Baht 541,205,340.



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**1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of immediately preceding year.**

As at 31 March 2009 and 30 September 2008, the Company's issued shares were 541,205,340 shares with a par value of Baht 1 per share.

As at 31 March 2009 and 30 September 2008, there were no outstanding treasury shares.

**1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable, since the Company has not transacted treasury shares during the period that ended on 31 March 2009.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have been reviewed by the Company's auditor, PricewaterhouseCoopers ABAS Limited, in accordance with generally accepted auditing standards applicable in Thailand ("Thai GAAP") except for item 13 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS" which is provided by the Company.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The signed auditor's report is on page 1 of the interim consolidated and Company financial statements for the three-month and six-month periods that ended on 31 March 2009, which is reported together with this announcement and is available in the SGX's website and the Company's website.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as in the Group's most recently audited annual Thai GAAP financial statements have been applied.

**5. If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There is no change in the accounting policies and methods of computation during the period that ended on 31 March 2009.



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**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Consolidated</b>		
	<b>For the three-month periods ended 31 March</b>		
	<b>2009</b>	<b>2008</b>	<b>Changes</b>
<b>Basic earnings (losses) attributable to ordinary shareholders per share</b>	<b>Baht</b>	<b>Baht</b>	<b>%</b>
Based on weighted average number of ordinary shares in issue	(0.109)	0.209	(152.2%)

	<b>Consolidated</b>		
	<b>For the six-month periods ended 31 March</b>		
	<b>2009</b>	<b>2008</b>	<b>Changes</b>
<b>Basic earnings (losses) attributable to ordinary shareholders per share</b>	<b>Baht</b>	<b>Baht</b>	<b>%</b>
Based on weighted average number of ordinary shares in issue	0.46	0.67	(31.3%)

There are no potential dilutive ordinary shares in issue during the three-month and six-month periods that ended on 31 March 2009 and 31 March 2008.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	<b>Consolidated</b>		<b>Company</b>	
	<b>31-Mar-09</b>	<b>30-Sep-08</b>	<b>31-Mar-09</b>	<b>30-Sep-08</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective period	19.07	17.87	13.32	13.24



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**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Overview

For the three-month period that ended on 31 March 2009, total service income of the Group was Baht 951.1 million, a decrease of Baht 124.0 million, or 11.5%, from Baht 1,075.1 million for the three-month period that ended on 31 March 2008. The lower revenues were a result of 1) lower asset utilisation in our subsea engineering group, which resulted in revenues of Baht 590.5 million, or a 69.7% decrease from Q2/2008, offset by 2) strong performance of drilling group with full asset utilisation, including higher day rates on one drilling rig, which resulted in revenues of Baht 348.0 million, or a 156.5% increase from Q2/2008.

Gross profits were Baht 120.0 million, a decrease of Baht 220.6 million, or 64.8%. The lower gross profits were primarily attributable to our subsea engineering group. During January and February 2009, a strategic decision was made to mobilise the M.V. Team Siam to the Middle East in order to develop commercial activities in this region. Whilst this presented large costs and zero revenue during this quarter, the vessel has subsequently found long-term charter work on attractive rates and begun to develop the MOS "brand" in the Middle East. In addition, while revenues were down in our subsea engineering group, we continued to pay the costs of two chartered-in vessels, totalling Baht 108.4 million..

Service and administrative expenses decreased 54.9% from Baht 296.0 million to Baht 133.5 million. The decrease was primarily due to the reclassification of operating expenses from cost of services to service and administrative expenses in the same period last year (Q2/2008), comprising crew, overhead, and depreciation related to assets that went off-hire of Baht 198.2 million. Without these reclassified expenses, service and administrative expenses in this quarter increased by Baht 35.7 million, or 36.5% from the same period last year, primarily from the expansion of business operations in Seascope Survey Services Group of Baht 25.7 million.

Operating profits were Baht 16.5 million, a decrease of Baht 86.3 million, or 78.3%. The lower operating profits were a result of lower revenues as compared with last year's comparable period.

Net losses were Baht 54.6 million, including an exchange gain of Baht 15.4 million, as compared to a net profit of Baht 113.9 million, including an exchange loss of Baht 16.1 million. Excluding exchange gains/losses and income taxes, net profits decreased by Baht 126.3 million, or 132.3%.



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### Business Segment Analysis

Drilling: The drilling segment generated 60.0% of the Group's total revenues.

During the quarter, MTR-1 was under contract with Hess and working in Indonesia. MTR-2 was under contract with Chevron (Indonesia) for working in Indonesia. Average utilisation of MTR-1 and MTR-2 for the quarter was 99.4%.

Subsea Engineering: The utilisation of assets in our subsea engineering segment was considerably low in this quarter and generated 37.6% of the Group's revenues. However, the average day rate remained high. During similar periods of previous financial years, subsea engineering work has decreased due to the monsoon conditions. Historically, January and February represent a period of lower utilisation compared to the "peak" months of May – October. During this period, this low figure was compounded by the global financial crisis and a lack of decision making on the part of clients which appears to have normalised moving into March.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable



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**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Drilling

The offshore tender rig market still remains reasonably buoyant. Some oil and gas companies have cancelled or postponed planned activity although we have not experienced any of our direct contracts coming under threat. Due to the credit restrictions in the marketplace, some of the smaller and less well known oil and gas producers are finding it difficult to raise the necessary finance and may continue cutting programmes. The larger companies would appear to be continuing (and in some cases increasing) their activity levels. Recently, we have received two invitations to tender for long term contracts in Southeast Asia. In general terms, there is some pressure beginning to be applied to day rates across the fleet due to additional rig availability, oil price volatility and delivery of new builds, some of which have no contract. Some recent fixtures in the tender market are seeing reductions of 20% from peak rates. We believe this will continue throughout 2009.

Our tender rig MTR-1 is presently on a contract extension with Hess scheduled to end in Q3 CY2009. Our other tender rig MTR-2 is presently on a contract with Chevron through early CY2010. Our newbuild tender rig KM-1 is proceeding at Kencana's Lumut yard in Malaysia and we believe will be delivered as per schedule in late CY2009. This rig has been awarded a five-year primary term contract by Petronas with options at a potential contract value of approximately USD 235 million. Discussions are still ongoing with clients for a potential second new build rig.

Subsea Engineering

Activity levels during the Q1 CY2009 dropped significantly for three primary reasons:-

- 1 Vessels withdrawn from the market for planned maintenance;
- 2 One vessel strategically relocated to develop business opportunities outside Southeast Asia; and
- 3 Several oil and gas companies reviewing their internal budgets, which has delayed some contract awards.

These activity level reductions are generally being experienced across the subsea engineering business during this quarter. On the upside, we are now returning to a more realistic and historical activity level with all our DSV's now contracted. We are also experiencing a surge in requests for vessel availability and believe this will continue for the remainder of 2009. The subsea sector is not seeing the same pressure on day rates and in some cases we are experiencing marginal day rate increases for the more technical vessels. We have successfully entered the sub sea market in the Middle East where we are performing construction support, sat diving, ROV and survey services. With the North East monsoon abating, we are continuing to secure project work for our other vessels in Southeast Asia.

Our two newbuilds, one DP2 DSV vessel and one DP2 ROV/Survey vessel, are under construction and on schedule for delivery in Q3 CY2009 and Q4 CY2009, respectively.



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**11. If a decision regarding dividend has been made:-**

*(a) Whether an interim (final) ordinary dividend has been declared (recommended); and*

No dividend has been declared.

*(b) (i) Amount per share.....cents*

Not applicable

*(b) (ii) Previous corresponding period.....cents*

Not applicable

*(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).*

Not applicable

*(d) The date the dividend is payable.*

Not applicable

*(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.*

Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable

**13. A reconciliation of difference between Thai GAAP to IFRS.**

Currently, the Company has applied IAS 12: Income Taxes, IAS 16: Property, Plant, and Equipment, IAS 18: Revenue (in relation to revenue recognition of mobilisation fee), and IAS 19: Employee Benefits in its Thai GAAP financial statements. The Company received a waiver from Singapore Exchange Limited and has not applied IAS 21: The Effects of Changes in Foreign Exchange Rates. Therefore, the significant difference between Thai GAAP and IFRS financial statements is clarified below.





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The Effects of Changes in Foreign Exchange Rates

Thai GAAP

Thai GAAP does not require a determination of the functional currency (the currency of the primary economic environment in which the entity operates). The measurement currency as presented in the Thai GAAP financial statements is the local currency of Thai Baht for companies registered in Thailand.

IFRS

IFRS requires each individual entity included in the reporting entity to determine its functional currency and measure its results and financial position in that currency.

Impact

Because the functional currency of Mermaid Offshore Services Ltd., MTR-1 Ltd., MTR-2 Ltd., and Mermaid Drilling (Malaysia) Sdn. Bhd. is in US Dollars, accounting records need to be measured in the functional currency. This would affect all balance sheet and income statements line items.

The net effects on the consolidated income statements for six-month periods that ended on 31 March 2009 and 2008 and balance sheets as at 31 March 2009 and 30 September 2008 can be summarised as follows:

	Net effects on Consolidated Income Statement for the six-month that ended on 31 March 2009		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	2,533.71	2,533.71	-
Total cost of services	1,952.60	1,952.60	-
Service and administrative expenses	244.30	244.28	(0.02)
Operating profits	401.26	432.14	30.88
Net profits for period	258.96	289.84	30.88

	Net effects on Consolidated Income Statement for the six-month that ended on 31 March 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total sales and service income	2,172.96	2,172.82	(0.14)
Total cost of sales and services	1,446.26	1,476.04	29.78
Service and administrative expenses	533.98	534.97	0.99
Operating profits	286.15	128.79	(157.36)
Net profits for period	355.18	202.10	(153.08)





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	Net effects on Consolidated Balance Sheet as at 31 March 2009		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	3,580.73	3,514.72	(66.01)
Total non-current assets	9,757.89	9,695.76	(62.13)
Total current liabilities	1,260.84	1,239.21	(21.63)
Total non-current liabilities	1,759.66	1,747.37	(12.29)

	Net effects on Consolidated Balance Sheet as at 30 September 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	4,856.23	4,808.48	(47.75)
Total non-current assets	8,323.37	8,166.21	(157.16)
Total current liabilities	1,972.45	2,029.97	57.52
Total non-current liabilities	1,533.21	1,572.46	39.25

#### **14. Negative assurance on interim financial statements**

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the second quarter that ended on 31 March 2009 of the Group and the Company to be false or misleading.

#### **BY ORDER OF THE BOARD**

M.L. Chandchutha Chandratat  
Executive Chairman  
Board of Directors  
12 May 2009