



Mermaid Maritime Public Company Limited

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

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MERMAID PURCHASES ALL REMAINING SHARES IN “MERMAID ASIANA” A NEWBUILD DP2 DIVE SUPPORT VESSEL UNDER CONSTRUCTION

Purchase of 76.5% of Nemo Subsea IS and 100% of Nemo Subsea AS results in Mermaid securing full ownership and control of the M.V. “Mermaid Asiana”, a DP2 Dive Support Vessel (“DSV”) nearing the completion of its construction at ASL Shipyard Pte. Ltd. in Singapore, with delivery scheduled for this fourth calendar quarter 2009.

1. Introduction

Mermaid Maritime Public Company Limited (“Mermaid”) refers to its previous announcements on SGXNET regarding the purchase by its wholly owned subsidiary Mermaid Offshore Services Ltd. (“MOS”) of 20 shares representing 20% interest in Nemo Subsea IS, a Norwegian partnership holding beneficial ownership and interest in the M.V. “Mermaid Asiana” (“Vessel”) dated 26 December 2008, and the purchase of another 0.5 shares representing 0.5% interest in Nemo Subsea IS on 14 August 2009 (as part of Mermaid’s third quarter financial results announcement).

Mermaid is pleased to announce that MOS has executed Sale and Purchase Agreements with various sellers to secure full ownership and control of the Vessel (collectively, the “Transactions”).

The Transactions comprise two separate purchases. The first purchase is the purchase of 76.5 shares representing 76.50% of the total shares in Nemo Subsea IS from various sellers detailed below (“First Purchase”). Completion of the First Purchase will result in MOS becoming the owner of a total of 97 shares representing 97.00% of Nemo Subsea IS. The balance of 3 shares representing 3.00% of Nemo Subsea IS will continue to be held by Nemo Subsea AS, a Norwegian private limited company holding legal ownership and control of the Vessel for the benefit of Nemo Subsea IS.

In order to secure full ownership of Nemo Subsea IS while maintaining the exiting ownership structure for the Vessel in order to maintain legitimate tax benefits, MOS has also entered into a Sale and Purchase Agreement to purchase 10,000 shares representing 100.00% of the total shares of Nemo Subsea AS (“Second Purchase”). This Second Purchase allows MOS to indirectly own the outstanding 3 shares or 3.00% of the total shares in Nemo Subsea IS, collectively delivering to MOS ownership of 100 shares representing 100% of the total shares of Nemo Subsea IS together with full ownership of Nemo Subsea AS.

2. Transaction Details and Consideration

The First Purchase comprised the execution of individual Sale and Purchase Agreements with each of the parties listed below (“Sellers”) for the purchase of a total of 76.50 shares representing 76.50% of the total shares in Nemo Subsea IS:

No.	Name	Shareholding
1.	Bjorn-Hansen, Jannik	1.00%
2.	Bredahl, Svein Grude	1.00%
3.	Camecc AS	2.00%
4.	DS AS Bjorn	4.00%
5.	Essbe AS	1.00%
6.	Fidelitas AS	1.00%
7.	Fram Shipping Ltd.	4.00%
8.	Frithjof Anderssen ANS	2.50%
9.	Gilje, Karl Otto	2.00%
10.	Gurid AS	1.00%
11.	Lise AS	3.00%
12.	Lise Og Arnfinn Hesjes Fond	2.00%
13.	Loren Holding AS	1.00%
14.	Morellen AS	4.00%
15.	Morud Minerals AS	1.00%
16.	Nordby Eiendom AS	1.00%
17.	Ocean Partners AS	17.00%
18.	Pareto World Wide Shipping AS	20.00%
19.	Partner Ships AS	1.00%
20.	Thoca Invest AS	2.00%
21.	Trio Data AS/S	1.00%
22.	Unni Invest AS	1.00%
23.	W&N Holwech Ltd AS	3.00%
	Total	76.50%

The total consideration payable for the First Purchase is USD 10,797,975 (United States Dollars Ten Million Seven Hundred and Ninety Seven Thousand Nine Hundred and Seventy Five Only).

The Second Purchase is the execution of a Sale and Purchase Agreement with Ocean Partners AS for the purchase of 10,000 shares representing 100% of the total shares in Nemo Subsea AS. The total consideration payable for the Second Purchase is USD 423,450 (United States Dollars Four Hundred and Twenty Three Thousand Four Hundred and Fifty Only).

The total consideration for the Transactions is therefore USD 11,221,425 (United States Dollars Eleven Million Two Hundred and Twenty One Thousand Four Hundred and Twenty Five Only).

This consideration was concluded with the sellers after arm's length negotiations and is considered to be within fair market value as estimated by Pareto Private Equity ASA (sole adviser and broker to the Transactions) and their third party ship brokers dated 21 October 2009. The consideration is funded from retained earnings of MOS and payment has been made today, 26 October 2009, following which MOS will receive transfer of title and ownership of the shares of both entities to MOS.

3. Information about Nemo Subsea AS and Nemo Subsea IS

Nemo Subsea AS is a Norwegian private limited company whose sole purpose is to act as legal owner of the M.V. "Mermaid Asiana" for the benefit of Nemo Subsea IS, a Norwegian internal partnership. The Vessel is nearing the completion of its construction at ASL Shipyard Pte. Ltd.'s shipyard in Singapore and is presently scheduled for delivery to Nemo Subsea AS in the fourth calendar quarter of 2009. Upon delivery, the Vessel was originally planned to commence a time charter with MOS through, firstly, a bareboat charter from Nemo Subsea AS to Great Cormorant Maritime Ltd., a subsidiary of Robert Knutzen Shipholding Ltd., who shall be responsible to operate the Vessel, and secondly a time charter of the Vessel from Great Cormorant Maritime Ltd. to MOS. In parallel with negotiations leading up to the execution of the Transactions, Mermaid wishes to advise that MOS has concluded an agreement with Great Cormorant Maritime Ltd. and Nemo Subsea AS to terminate the time charter with Great Cormorant Maritime Ltd. and for MOS to directly bareboat charter the Vessel from Nemo Subsea AS. This will, among other things, allow MOS to directly operate the Vessel.

The total issued partnership capital in Nemo Subsea IS is USD 12,100,000. At the time of the Transactions, USD 8,100,000 has been paid up. The remaining USD 4,000,000 remains uncalled and unpaid. However, the amount of remaining partnership capital that will be finally called up from this USD 4,000,000 will depend on the actual remaining capital requirements to complete the Vessel which shall in any case not exceed the maximum amount of un-paid capital.

The total issued share capital in Nemo Subsea AS is NOK 100,000 comprising 10,000 ordinary shares at NOK 10 each. All shares have been fully paid-up.

Liability to Mermaid in both Nemo Subsea AS and Nemo Subsea IS are capped at the investments made and potential un-called portion of Nemo Subsea IS's partnership capital. Mermaid will have full beneficial ownership and share of profits and losses in both entities through MOS.

4. Rationale for the Purchase

Nemo Subsea AS and Nemo Subsea IS have legal and beneficial ownership and interest in the Vessel respectively. The Transactions will allow Mermaid to own the Vessel through its ownership of all of the shares in both entities and therefore benefit from greater control over MOS's long term access to the Vessel. It will also allow MOS to exercise control over the operations of the Vessel, its use, maintenance and any future upgrades thus ensuring that the quality of service of this asset to its clients is maintained. All these are expected to contribute to greater efficiency and returns.

Under the previous contract structure, MOS had a time charter with a purchase option for the Vessel after the third year of charter at a pre-determined price. The Transactions therefore also allow MOS to accelerate its ownership of the Vessel at a materially lower price, after taking into account the total consideration paid for both entities that legally and beneficially own the Vessel on the one part, and the cost to MOS of a three year time charter plus the exercise of the purchase of the Vessel at the pre-determined price after the third year of charter, on the other.

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

In order to determine the classification of the Transactions, 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 Transactions.

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

There are no net profits attributable to the Transactions because the Vessel has yet to be delivered.

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

The consideration of USD 11,221,425 is equivalent to approximately SGD 15,640,198 (based on the exchange rate of USD 1.00 = SGD 1.39378). This represents 3.05% of Mermaid's market capitalization of SGD 513,154,667. The market capitalization is computed based on the weighted average price of Mermaid's shares transacted on 23 October 2009 (SGD 0.94817), 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 Transactions as no equity securities are being issued as consideration for the Transactions.

Having regard to the above, the Transactions constitute a “non-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 Transactions 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 the Transactions	After the Transactions
NTA (THB'000) [a]	9,673,942	10,054,631 [b]
NTA per share (THB) [c]	17.87	18.58
NTA per share (SGD) [d]	0.76	0.79

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 USD 1.00 = THB 33.9252 and assumption of 100% equity funding.

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

[d] based on an exchange rate of SGD 1.00 = THB 23.6080.

- (b) Assuming that the Transactions had been effected at the beginning of FY2008, there will be no impact on Mermaid’s earnings per share for FY2008. This is because the Vessel has yet to be delivered and chartered and there is therefore no past performance records to measure its profitability for FY2008.

7. **Interest of Directors and Controlling Shareholders**

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

8. **Documents for Inspection**

A copy of the Sale and Purchase Agreements for the Transactions and the valuation report 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.

Please be informed accordingly.

Vincent Siaw
Company Secretary
26 October 2009

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