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MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand as a Company with Limited Liability)
(Registration Number. 0107550000017)

TRADING UPDATE 26 OCTOBER 2009

This statement has been prepared by Mermaid Maritime Public Company Limited (the "**Company**", and together with its subsidiaries, the "**Group**") in connection with its renounceable underwritten rights issue of new ordinary shares with a par value of Baht 1 each in the capital of the Company, details of which have been released in the announcement dated 18 September 2009 and in the circular to shareholders of the Company dated 22 September 2009 in relation to, *inter alia*, the rights issue. The information below is made on a quarter-on-quarter basis unless otherwise stated.

The Group's business operations continued to remain profitable and performed in line with internal targets during the fourth quarter of the financial year ended 30 September 2009 ("**FY2009**"). The Group expects a reduction in both revenue and net margins in the fourth quarter of FY2009 compared to the third quarter of FY2009 due primarily to (i) lower utilisation in the sub-sea engineering group as a result of planned maintenance shutdown on the sub-sea vessel "Mermaid Commander" in the fourth quarter of FY2009 and the sub-sea vessel "Team Siam" being off-hire in August 2009 due to a project delay and (ii) the completion of the drilling contract in relation to "MTR-1". However, underlying demand remains strong and utilisation rates for sub-sea vessels have improved at the start of the new financial year ending 30 September 2010 ("**FY2010**").

The Group's drilling operations performed in line with its internal projections during the fourth quarter of FY2009. Utilisation levels for "MTR-2" have remained high and the rig has been under a hire contract, which is expected to end in April 2010. The contract rate for "MTR-2" was slightly lower than in the third quarter of FY2009, due to the completion of payment for some specialised equipment. Meanwhile, the hire contract in relation to "MTR-1" was completed on 8 September 2009, and "MTR-1" has been demobilised. The Group earned a demobilisation fee for "MTR-1" in September 2009, which helped to offset some of the operating costs the Group continued to incur on the tender drilling rig. "MTR-1" has now been relocated to a facility in Thailand for planned repair and maintenance, which is expected to be completed by the end of the first quarter of FY2010. The Group is in discussions with several potential clients to secure work for "MTR-1". In the meantime, the Group has reduced operating costs for "MTR-1" to minimum levels. The Group's newbuild tender drilling rig "KM-1" is expected to be delivered in the second quarter of FY2010, after which it will be utilised in a five-year primary term contract in Malaysia.

On the sub-sea engineering side, utilisation rates declined in the fourth quarter of FY2009. This was a result of lower utilisation mainly on two vessels, namely "Mermaid Commander" and "Team Siam", which accounted for a majority of the sub-sea engineering revenues in the third quarter of FY2009. "Mermaid Commander" underwent scheduled maintenance and repair, which put it off-hire for approximately 20 days. "Team Siam", which was mobilised to the Middle East in the second quarter of FY2009, was off-hire

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for a period of approximately 30 days as one of the projects it had been contracted for experienced a delay. Since a large share of the Group's sub-sea costs are fixed and include depreciation, charter-in and crew expenses, the loss in revenues had a significant effect on operating profits and the Group does not expect the sub-sea engineering business to contribute significantly to the operating profits of the Group in the fourth quarter of FY2009. However, the sub-sea engineering group has experienced an increase in the number of enquiries and tenders for its services. Market conditions are favourable to ensure the Group secures a high utilisation across its sub-sea fleet, particularly in the higher specified sub-sea vessels. At the commencement of FY2010, the Group currently has all Diving Support Vessels ("**DSV**") and Remotely Operated Vehicle ("**ROV**") vessels utilised, some of which are on reasonable length assignments of between 60 and 120 days.

As previously communicated, the Group is expecting deliveries of four (4) newbuilds in the first half of FY2010, including three (3) sub-sea vessels, namely DSV "Mermaid Endurer", DSV "Mermaid Asiana" (chartered-in) and "Mermaid Sapphire" as well as the tender drilling rig "KM-1". While the Group has experienced slight delays in the delivery schedule, the Group expects all of the newbuilds to be delivered by the end of the first half of FY2010. The drawdowns on the Group's committed loans for these newbuilds will match the delivery timing. Although DSV "Mermaid Asiana" was originally intended to be a chartered-in vessel, the Group has recently acquired full ownership of the sub-sea vessel through the acquisition of the entities that own it. In addition, the Group will continue to identify and monitor opportunities that may become available under present market conditions. Following the completion of the rights issue, the Group believes that its market position will be strengthened with greater financial capacity to pursue tactical and strategic growth opportunities as and when they arise.

In summary, the Group continues to meet the challenges of the current environment and continues to provide safe and efficient operations to meet its customer demands and expectations. Careful management of treasury, debt and operational risks will be practised to maintain the financial position of the Group.

BY ORDER OF THE BOARD

Vincent Siaw
Company Secretary
26 October 2009

Important Notice

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcement made by the Company on 18 September 2009.

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