



## MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมต มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> 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 SUB-SEA PRESENCE IN THE MIDDLE EAST AND PERSIAN GULF THROUGH ACQUISITION OF SUBTECH

*Acquisition of Qatari-based Subtech for USD 7.5 million represents firm commitment by Mermaid to expand its provision of turnkey sub-sea engineering services into the region.*

#### 1. Introduction

Mermaid Maritime Public Company Limited (“Mermaid”) is pleased to announce that its wholly owned subsidiary Mermaid Offshore Services Ltd. (“MOS”) has purchased from Subtech (Proprietary) Ltd. the entire issued shares of Subtech Ltd. (“Acquisition”).

#### 2. About Subtech Ltd. and the Seller

Subtech Ltd. is a company incorporated in Seychelles. Its principal investment is in a 97% beneficial interest in Subtech Qatar Diving and Marine Services LLC (“Subtech Qatar”). Subtech Qatar is an IMCA diving and sub-sea contractor incorporated and based in Qatar, servicing mainly the Middle East and Persian Gulf region.

Subtech Ltd. is presently wholly owned by Subtech (Proprietary) Ltd., a company based in South Africa (“Seller”). The Seller has experience in the provision of diving services for civil engineering, offshore and salvage operations through satellite offices in the Middle East, Mozambique, Indian Ocean islands and West Africa. Through many years of operations, the Seller has access to a large data-base of personnel, and has name recognition and co-operation in the industry which it operates, including in the Middle East and Persian Gulf region. As part of their restructuring, an opportunity arose for MOS to acquire Subtech Ltd., the Seller’s Middle East and Persian Gulf business unit.

#### 3. Rationale for the Acquisition

MOS entered into an alliance agreement with Subtech Qatar in 2008 for the provision of dive support vessels (“DSVs”) in the Middle East and Persian Gulf region. Subtech Qatar wanted to augment its capabilities and gain access to vessel assets and MOS had decided to expand geographically to increase its market for DSVs. The DP2 DSV “Team Siam” was mobilized to the area in January 2009 where she remains today, and the co-operation under the alliance agreement has been fruitful to date, leading to the Acquisition by MOS.



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Following the Acquisition, MOS plans to develop Subtech Qatar into a local contractor capable of providing quality turnkey sub-sea engineering services to local and international clients within the Middle East and Persian Gulf region and to expand MOS's market presence in the region through mobilizing additional vessels and remotely operated vehicles ("ROVs") as opportunities arises. MOS believes that being a local contractor in the region will give MOS a natural advantage due to local knowledge, convenient base-support and lower cost of mobilization.

*"Offshore oil and gas activity in the Middle East and Persian Gulf is set to increase as offshore fields begin to contribute a greater share of future production and reserves in the region. MOS's acquisition of Subtech therefore represents a geographical expansion that is logical in the face of growing business opportunities in that region. We are also pleased to have retained the existing Subtech management team which will allow us to get off the ground fairly quickly",* said Mark Shepherd, Executive Director of MOS.

#### 4. Consideration

The total consideration for the Acquisition is USD 7,500,000 (United States Dollars Seven Million Five Hundred Thousand Only). The consideration 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 taking into relevant consideration its own business and technical due diligence and professional third party legal and financial due diligence of Subtech Ltd. and Subtech Qatar.

The consideration comprise USD 6,375,000 (United States Dollars Six Million Three Hundred and Seventy Five Thousand Only) paid to the Seller on 12 March 2010, and USD 1,125,000 (United States Dollars One Million One Hundred and Twenty Five Thousand Only) of debt obligations of Subtech Ltd. assumed by MOS which is payable within twelve (12) months from the date of this announcement. The consideration will be fully funded from monies from Mermaid's recent rights issue received in November 2009.

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

In order to determine the classification of the Acquisition, the relative figures as computer 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 Acquisition.



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

The consolidated net profits attributable from Subtech Ltd. as a percentage of the consolidated net profits of Mermaid is 12.22%. This is computed based on the consolidated net profit of Mermaid as at 30 September 2009 (latest audited consolidated financial statement) being THB 747,377,509 and the consolidated net profit of Subtech Ltd. valued at USD 2,733,176, equivalent to THB 91,342,735 (based on an exchange rate of USD 1.00 = THB 33.42) attributed to 97% share the assets to be purchased as at 30 September 2009.

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

The consideration of USD 7,500,000 is equivalent to approximately SGD 10,500,000 (based on the exchange rate of USD 1.00 = SGD 1.40). This represents 1.84% of Mermaid's market capitalization of SGD 570,464,524. The market capitalization is computed based on the weighted average price of Mermaid's shares transacted on 11 March 2010 (SGD 0.72694), multiplied by the number of shares in issue (784,747,743 shares).

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

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

Having regard to the above, the Subscription 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 2009 ("FY2009") are as follows:

- (a) Assuming that the Acquisition had been effected at the end of FY2009, the pro forma effects on the consolidated net tangible assets ("NTA") of Mermaid for FY2009 are as follows:

	Before	After
NTA (THB'000)	14,273,097 [a]	14,536,264 [b]
NTA per share (THB) [c]	18.19	18.52
NTA per share (SGD) [d]	0.77	0.79



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Note:

[a] NTA of Mermaid is calculated based on Thai Generally Accepted Accounting Principles (GAAP).

[b] Additional NTA from the Acquisition is based upon a third party due diligence report disclosed to Mermaid, an exchange rate of USD 1.00 = THB 33.42 and assumption of 100% equity funding.

[c] based on 784,747,743 issued and paid-up ordinary shares of Mermaid post rights issue as this would adjust for the difference arising from the right issue, such that the effect is attributed solely to the Acquisition.

[d] based on an exchange rate of SGD 1.00 = THB 23.50.

- (b) Assuming that the Acquisition and had been effected at the beginning of FY2009, the impact on Mermaid's earnings per share ("EPS") is as follows:

	Before Acquisition	After Acquisition
Net Profit (THB'000)	747,378 [a]	838,721 [b]
EPS (THB) [c]	0.95	1.07
EPS (SGD) [d]	0.04	0.05

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 33.42.

[c] based on 784,747,743 issued and paid-up ordinary shares of Mermaid post rights issue as this would adjust for the difference arising from the rights issue, such that the effect is attributed solely to the Acquisition.

[d] based on an exchange rate of SGD 1.00 = THB 23.50.



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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 Acquisition. There are also no new directors proposed to be appointed to Mermaid in connection with the Acquisition.

### 8. Documents for Inspection

A copy of the sale and purchase agreement for the Acquisition may be inspected at the registered office of Mermaid at 26/28-29, Orakarn Building 9<sup>th</sup> 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  
12 March 2010