

MERMAID MARITIME PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS (UNAUDITED)**

30 JUNE 2010

AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and Company balance sheets of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited as at 30 June 2010, and the related consolidated and Company statements of income for the three-month and nine-month periods ended 30 June 2010 and 2009, changes in shareholders' equity and cash flows for the nine-month periods ended 30 June 2010 and 2009. The Company's management is responsible for the correctness and completeness of information in these interim consolidated and Company financial statements. My responsibility is to issue a report on these interim consolidated and Company financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim consolidated and Company financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and Company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and Company financial statements for the year ended 30 September 2009 of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 25 November 2009. The consolidated and Company balance sheets as at 30 September 2009, presented for comparative purposes, are part of the financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.



Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Limited

Bangkok
10 August 2010

Mermaid Maritime Public Company Limited
Balance Sheets
As at 30 June 2010 and 30 September 2009

	Notes	Consolidated		Company	
		Unaudited 30 June 2010 Baht'000	Audited 30 September 2009 Baht'000	Unaudited 30 June 2010 Baht'000	Audited 30 September 2009 Baht'000
Assets					
Current assets					
Cash and cash equivalents		1,435,214	1,450,525	384,944	224,140
Short-term investments		969,620	334,217	969,620	334,217
Trade accounts receivable - others, net		925,590	1,036,688	-	-
Trade accounts receivable - related parties	13.2	34	113	-	-
Amounts due from related parties	13.2	1,731	1,953	530,368	474,045
Short-term loans to related parties	13.3	-	-	3,319,250	737,102
Supplies and spare parts		133,541	112,940	-	-
Investments in associate classified as held for sale	14	407,746	-	410,000	-
Other receivables		1,836,333	-	-	-
Other current assets		153,362	137,014	11,126	16,054
Total current assets		5,863,171	3,073,450	5,625,308	1,785,558
Non-current assets					
Investments in subsidiaries - cost method	5.1	-	-	4,995,728	5,237,264
Investments in associates - equity method	5.2	-	387,967	-	-
Other long-term investments	6	-	77,697	-	-
Property, plant, and equipment, net	7	12,016,909	10,300,959	178,177	189,264
Goodwill		332,277	266,310	-	-
Intangible assets, net		18,299	16,101	528	959
Deferred expenses, net		53,213	84,203	-	-
Deferred tax assets, net		201,258	228,424	-	-
Other non-current assets		114,360	120,397	569	569
Total non-current assets		12,736,316	11,482,058	5,175,002	5,428,056
Total assets		18,599,487	14,555,508	10,800,310	7,213,614

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Balance Sheets (Cont'd)
As at 30 June 2010 and 30 September 2009

	Notes	Consolidated		Company	
		Unaudited 30 June 2010 Baht'000	Audited 30 September 2009 Baht'000	Unaudited 30 June 2010 Baht'000	Audited 30 September 2009 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - others		164,040	173,569	-	-
Trade accounts payable - related parties	13.2	5,615	9,958	-	-
Other accounts payable		168,613	826,858	1,359	2,567
Amounts due to related parties	13.2	14	29	325,880	33
Current portion of long-term loans					
from financial institutions	8	818,733	466,834	24,800	24,800
Current portion of finance lease liabilities		1,069	2,420	-	774
Income taxes payable		22,149	55,484	-	-
Accrued expenses		172,056	107,368	14,423	800
Current portion of employee benefit obligations		84,095	115,560	-	-
Other current liabilities		60,045	29,998	10,466	8,796
Total current liabilities		1,496,429	1,788,078	376,928	37,770
Non-current liabilities					
Long-term loans from financial institutions	8	3,878,007	2,073,459	17,400	36,000
Finance lease liabilities		3,853	4,021	-	-
Employee benefit obligations		22,030	33,285	3,631	2,960
Total non-current liabilities		3,903,890	2,110,765	21,031	38,960
Total liabilities		5,400,319	3,898,843	397,959	76,730
Shareholders' equity					
Share capital	9				
Registered share capital		790,607	544,903	790,607	544,903
Issued and fully paid-up		784,748	541,205	784,748	541,205
Premium on share capital	9	9,819,899	6,470,791	9,819,899	6,470,791
Translation adjustments for investments in foreign subsidiaries		(171,181)	(30,384)	-	-
Retained earnings					
Appropriated - legal reserves		39,717	39,717	39,717	39,717
Unappropriated		2,634,265	2,975,996	(242,013)	85,171
Total parent's shareholders' equity		13,107,448	9,997,325	10,402,351	7,136,884
Minority interests		91,720	659,340	-	-
Total shareholders' equity		13,199,168	10,656,665	10,402,351	7,136,884
Total liabilities and shareholders' equity		18,599,487	14,555,508	10,800,310	7,213,614

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Statements of Income (Unaudited)
For the three-month periods that ended on 30 June 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000
Service income		881,394	1,459,658	-	-
Cost of services		(778,442)	(927,514)	-	-
Gross profits		102,952	532,144	-	-
Management fee income	13.1	-	-	23,340	17,580
Interest income		1,066	1,644	25,590	6,480
Other income		3,563	6,894	3,286	2,578
Administrative expenses		(153,406)	(106,061)	(26,597)	(22,005)
Gains (losses) on exchange rates		(11,232)	(35,726)	9,561	(42,867)
Net gains on disposals and write-off of property, plant, and equipment		12,665	400	542	496
Net losses on disposals of investments in subsidiaries and an associate	5.1, 5.2	(178,551)	-	-	-
Impairment losses of investments in subsidiaries		-	-	(241,536)	-
Operating profits (losses)		(222,943)	399,295	(205,814)	(37,738)
Share of profits of investments in associates		7,157	154	-	-
Profits (losses) before finance costs and income taxes		(215,786)	399,449	(205,814)	(37,738)
Finance costs		(29,785)	(25,575)	(371)	(745)
Profits (losses) before income taxes		(245,571)	373,874	(206,185)	(38,483)
Income taxes		(30,221)	(44,592)	-	-
Net profits (losses) for the period		<u>(275,792)</u>	<u>329,282</u>	<u>(206,185)</u>	<u>(38,483)</u>
Attributable to:					
Shareholders of the parent		(269,553)	317,221	(206,185)	(38,483)
Minority interests		(6,239)	12,061	-	-
		<u>(275,792)</u>	<u>329,282</u>	<u>(206,185)</u>	<u>(38,483)</u>
Earnings (losses) per share for profits (losses) attributable to the shareholders of the parent					
Basic and diluted earnings (losses) per share (Baht)	10	<u>(0.34)</u>	<u>0.59</u>	<u>(0.26)</u>	<u>(0.07)</u>

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Statements of Income (Unaudited)
For the nine-month periods that ended on 30 June 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000
Service income		2,676,978	3,993,363	-	-
Cost of services		(2,355,853)	(2,880,114)	-	-
Gross profits		321,125	1,113,249	-	-
Management fee income	13.1	-	-	70,020	52,740
Interest income		2,255	16,018	51,954	27,997
Other income		9,682	19,013	8,442	7,754
Administrative expenses		(409,682)	(350,358)	(89,788)	(73,858)
Gains (losses) on exchange rates		27,972	(17,962)	(125,607)	(10,966)
Net gains on disposals and write-off of property, plant, and equipment		14,187	20,597	505	731
Net losses on disposals of investments in subsidiaries and an associate	5.1, 5.2	(178,551)	-	-	-
Impairment losses of investments in subsidiaries		-	-	(241,536)	-
Operating profits (losses)		(213,012)	800,557	(326,010)	4,398
Share of profits (losses) of investments in associates	5.2	19,779	(15,707)	-	-
Profits (losses) before finance costs and income taxes		(193,233)	784,850	(326,010)	4,398
Finance costs		(61,293)	(77,620)	(1,174)	(2,725)
Profits (losses) before income taxes		(254,526)	707,230	(327,184)	1,673
Income taxes		(86,146)	(118,986)	-	-
Net profits (losses) for the period		<u>(340,672)</u>	<u>588,244</u>	<u>(327,184)</u>	<u>1,673</u>
Attributable to:					
Shareholders of the parent		(341,731)	565,611	(327,184)	1,673
Minority interests		1,059	22,633	-	-
		<u>(340,672)</u>	<u>588,244</u>	<u>(327,184)</u>	<u>1,673</u>
Earnings (losses) per share for profits (losses) attributable to the shareholders of the parent					
Basic and diluted earnings (losses) per share (Baht)	10	<u>(0.46)</u>	<u>1.05</u>	<u>(0.44)</u>	<u>0.00</u>

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods that ended on 30 June 2010 and 2009

	Consolidated						Baht' 000	
	Note	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserves	Unappropriated retained earnings	Minority interests	Total
Beginning balance as at 1 October 2009		541,205	6,470,791	(30,384)	39,717	2,975,996	659,340	10,656,665
Issuance of shares	9	243,543	3,349,108	-	-	-	-	3,592,651
Effect of disposals of investments in subsidiaries		-	-	-	-	-	(566,644)	(566,644)
Net losses for the period		-	-	-	-	(341,731)	1,059	(340,672)
Translation adjustments for investments in foreign subsidiaries		-	-	(140,797)	-	-	(2,035)	(142,832)
Ending balance as at 30 June 2010		784,748	9,819,899	(171,181)	39,717	2,634,265	91,720	13,199,168

	Company					Baht' 000
	Note	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Total
Beginning balance as at 1 October 2009		541,205	6,470,791	39,717	85,171	7,136,884
Issuance of shares	9	243,543	3,349,108	-	-	3,592,651
Net losses for the period		-	-	-	(327,184)	(327,184)
Ending balance as at 30 June 2010		784,748	9,819,899	39,717	(242,013)	10,402,351

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the nine-month periods that ended on 30 June 2010 and 2009

	Consolidated						Baht' 000
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserves	Unappropriated retained earnings	Minority interests	Total
Beginning balance as at 1 October 2008	541,205	6,470,791	(24,536)	39,717	2,261,511	385,254	9,673,942
Issuance of shares in subsidiaries	-	-	-	-	-	260,534	260,534
Net profits for the period	-	-	-	-	565,611	22,633	588,244
Translation adjustments for investments in foreign subsidiaries	-	-	15,309	-	-	6,620	21,929
Ending balance as at 30 June 2009	<u>541,205</u>	<u>6,470,791</u>	<u>(9,227)</u>	<u>39,717</u>	<u>2,827,122</u>	<u>675,041</u>	<u>10,544,649</u>

	Company				Baht' 000
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Total
Beginning balance as at 1 October 2008	541,205	6,470,791	39,717	115,730	7,167,443
Net profits for the period	-	-	-	1,673	1,673
Ending balance as at 30 June 2009	<u>541,205</u>	<u>6,470,791</u>	<u>39,717</u>	<u>117,403</u>	<u>7,169,116</u>

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods that ended on 30 June 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000
Cash flows from operating activities					
Profits (losses) before income taxes		(254,526)	707,230	(327,184)	1,673
Adjustments for:					
Depreciation	7.2	487,751	411,136	14,999	15,331
Amortisation of intangible assets		11,222	6,407	430	2,974
Finance costs		61,293	77,620	1,174	2,725
Net gains on disposals and write-off of property and equipment		(14,187)	(20,597)	(505)	(731)
Net losses on disposals of investments in subsidiaries and an associate	5.1, 5.2	178,551	-	-	-
Impairment loss of investments in a subsidiary		-	-	241,536	-
Realised (gains) losses on exchange rates		5,533	(37,206)	23,516	24,672
Unrealised (gains) losses on exchange rates		(33,505)	55,168	102,091	(13,706)
Employee benefit obligations		67,222	5,069	671	671
Share of (profits) losses of investments in associates	5.2	(19,779)	15,707	-	-
Exchange differences from conversion of overseas companies		(42,778)	23,586	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)					
- Trade accounts receivable - others		464,918	291,410	-	-
- Trade accounts receivable - related parties		79	36	-	-
- Amounts due from related parties		222	12,730	(65,301)	(215,676)
- Supplies and spare parts		(20,601)	37,017	-	-
- Other current assets		(277,477)	244,473	7,108	6,084
- Deferred expenses		14,613	-	-	-
- Other non-current assets		6,025	(127,719)	(1,213)	-
- Trade accounts payable - others		(287,320)	(126,463)	-	-
- Trade accounts payable - related parties		(4,343)	7,628	-	-
- Other accounts payable		67,620	190,477	-	57
- Amounts due to related parties		(15)	(37)	322,639	34
- Accrued expenses		64,984	121,662	13,624	358
- Other current liabilities		(35,701)	(105,478)	1,670	(2,933)
Cash generated from operations		439,801	1,789,856	335,255	(178,467)
- Finance costs paid		(57,682)	(76,224)	(1,174)	(2,086)
- Income taxes paid		(98,078)	(97,855)	(2,180)	(3,545)
- Employee benefits paid		(109,942)	-	-	-
Net cash inflows (outflows) from operating activities		174,099	1,615,777	331,901	(184,098)

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month periods that ended on 30 June 2010 and 2009

	Notes	Consolidated		Company	
		2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000
Cash flows from investing activities					
Repayments of short-term loans to related parties		-	1,140,394	490,000	1,468,009
Short-term loans provided to related parties		-	-	(3,145,091)	(197,700)
Payments for short-term investments		(623,383)	-	(647,423)	-
Payments for investments in subsidiaries	5.1	(492,348)	(87,296)	-	(1,436,132)
Net proceeds from disposals of investments in subsidiaries	5.1	323,235	-	-	-
Payments for investments in associates	5.2	-	-	(410,000)	-
Payments for other long-term investments		-	(77,697)	-	-
Proceeds from disposals of property and equipment and intangible assets		79,632	31,134	542	1,604
Purchases of property and equipment		(5,562,963)	(3,130,852)	(3,949)	(2,666)
Purchases of intangible assets		(12,311)	(7,299)	-	-
Net cash outflows from investing activities		(6,288,138)	(2,131,616)	(3,715,921)	(166,885)
Cash flows from financing activities					
Repayments of finance lease liabilities		(2,271)	(3,372)	(774)	(1,461)
Proceeds from long-term loans from financial institutions	8	2,905,790	841,327	-	-
Repayments of long-term loans from financial institutions	8	(358,181)	(643,098)	(18,600)	(12,400)
Proceeds from issuance of share capital	9	243,543	-	243,543	-
Net proceeds from share premium	9	3,349,108	-	3,349,108	-
Proceeds from issuance of share capital received from minorities		-	260,534	-	-
Net cash inflows (outflows) from financing activities		6,137,989	455,391	3,573,277	(13,861)
Net increase (decrease) in cash and cash equivalents		23,950	(60,448)	189,257	(364,844)
Cash and cash equivalents at the beginning of the period		1,450,525	1,726,430	224,140	1,141,842
Effects of exchange rates		(39,261)	(24,861)	(28,453)	(22,420)
Cash and cash equivalents at the end of the period		1,435,214	1,641,121	384,944	754,578

Non-cash transactions

During the nine-month periods that ended on 30 June 2010 and 2009, the following significant non-cash transactions occurred:

Unpaid liabilities for purchases of equipment	273,732	27,778	-	-
Other receivables from disposals of investments in subsidiaries and associate	1,092,946	-	-	-
Other receivables from reclassification of inter-company loans regarding the disposals of investments in subsidiaries and associate	743,387	-	-	-

The accompanying notes are an integral part of these interim consolidated and Company financial statements.

Mermaid Maritime Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month and nine-month periods that ended on 30 June 2010 and 2009

1 General information

Mermaid Maritime Public Company Limited (“the Company”) is a public company limited which is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office is as follows:

26/28-29 Orakarn Building, 9th floor
Soi Chidlom, Ploenchit Road
Kwaeng Lumpinee, Khet Pathumwan
Bangkok 10330, Thailand

The Company and its subsidiaries (“the Group”) provide a wide range of services to the offshore oil & gas industries. The scope of services comprises sub-sea engineering and inspection by divers and remotely operated vehicle (“ROV”) systems, non-destructive testing, and ownership and operation of a fleet of offshore service vessels and tender drilling rigs.

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand.

These interim consolidated and Company financial statements have been approved for issue by the Board of Directors on 10 August 2010.

These interim consolidated and Company financial statements have been reviewed and are not audited.

2 Basis of preparation

These interim consolidated and Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders’ equity, and cash flows) are prepared in the full format. The notes to the financial statements are prepared in condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting” (formerly No. 41).

These interim consolidated and Company financial statements should be read in conjunction with the 2009 annual financial statements.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

3 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year that ended on 30 September 2009.

New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

a) Accounting framework

The amendments of accounting framework was announced by the Federation of Accounting Professions on 9 April 2010 and endorsed by the Government Gazette on 26 May 2010. It is effective on 26 May 2010.

b) New accounting standards, new financial reporting standards, and amendments to accounting standards

The following new accounting standards, new financial reporting standards, and amendments to accounting standards were announced by the Federation of Accounting Professions on 9 April 2010 and endorsed by the Government Gazette on 26 May 2010 and are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them:

Effective for the period beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 17 (Revised 2009)	Leases
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Effective for the period beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Group's management has determined that the new accounting standards, new financial reporting standards and amendments to accounting standards will not significantly impact the financial statements being presented.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

Mermaid Maritime Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month and nine-month periods that ended on 30 June 2010 and 2009

4 Business segment information

The segment results for the three-month and nine-month periods that ended 30 June 2010 and 2009 are as follows:

	Consolidated					Baht'000
	For the three-month period that ended on 30 June 2010					
	Subsea services	Drilling services	Training services	Survey services	 Holding	 Group
Total service income	649,650	259,817	2,160	181,751	-	1,093,378
Inter-segment service income	(85,132)	-	-	(126,852)	-	(211,984)
Service income	564,518	259,817	2,160	54,899	-	881,394
Operating profits (losses)	(23,819)	(148,700)	95	(42,923)	(7,596)	(222,943)
Finance costs						(29,785)
Income taxes						(30,221)
Share of profits from associates						7,157
Net losses for the period						<u>(275,792)</u>

Mermaid Maritime Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month and nine-month periods that ended on 30 June 2010 and 2009

4 Business segment information (Cont'd)

The segment results for the three-month and nine-month periods that ended 30 June 2010 and 2009 are as follows: (Cont'd)

	Consolidated					Baht'000
	For the three-month period that ended on 30 June 2009					Group
	Subsea services	Drilling services	Training services	Survey services	 Holding	
Total service income	816,917	606,713	8,538	84,140	-	1,516,308
Inter-segment service income	-	-	(232)	(56,418)	-	(56,650)
Service income	816,917	606,713	8,306	27,722	-	1,459,658
Operating profits (losses)	162,181	278,400	1,488	5,133	(47,907)	399,295
Finance costs						(25,575)
Income taxes						(44,592)
Share of profits from associates						154
Net profits for the period						<u>329,282</u>

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4 Business segment information (Cont'd)

The segment results for the three-month and nine-month periods that ended 30 June 2010 and 2009 are as follows: (Cont'd)

	Consolidated					Baht'000
	For the nine-month period that ended on 30 June 2010					
	Subsea services	Drilling services	Training services	Survey services	 Holding	 Group
Total service income	1,810,343	778,478	21,736	472,740	-	3,083,297
Inter-segment service income	(134,744)	-	(55)	(271,520)	-	(406,319)
Service income	<u>1,675,599</u>	<u>778,478</u>	<u>21,681</u>	<u>201,220</u>	<u>-</u>	<u>2,676,978</u>
Operating profits (losses)	(88,362)	(85,786)	3,043	(10,763)	(31,144)	(213,012)
Finance costs						(61,293)
Income taxes						(86,146)
Share of profits from associates						<u>19,779</u>
Net losses for the period						<u><u>(340,672)</u></u>

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4 Business segment information (Cont'd)

The segment results for the three-month and nine-month periods that ended 30 June 2010 and 2009 are as follows: (Cont'd)

	Consolidated					Baht'000
	For the nine-month period that ended on 30 June 2009					
	Subsea services	Drilling services	Training services	Survey services	 Holding	 Group
Total service income	2,211,255	1,677,387	27,434	244,297	-	4,160,373
Inter-segment service income	-	-	(517)	(166,493)	-	(167,010)
Service income	2,211,255	1,677,387	26,917	77,804	-	3,993,363
Operating profits (losses)	228,251	638,085	4,988	(22,908)	(47,859)	800,557
Finance costs						(77,620)
Income taxes						(118,986)
Share of losses from associates						(15,707)
Net profits for the period						<u>588,244</u>

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5 Investments in subsidiaries and associates

Investments in subsidiaries and associates comprise investments in the following companies:

Name	Classification	Country of incorporation	Percentage of holding	
			As at 30 June 2010	As at 30 September 2009
Mermaid Offshore Services Ltd., which has eight subsidiaries as follows:	Subsidiary	Thailand	100.0	100.0
Nemo Subsea AS	Subsidiary	Norway	100.0	-
Nemo Subsea IS	Subsidiary	Norway	97.0 ⁽¹⁾	20.5
Seascope Surveys (Thailand) Ltd.	Subsidiary	Thailand	80.0	80.0
Seascope Surveys Pte. Ltd., which has two subsidiaries as follows:	Subsidiary	Singapore	80.0	80.0
PT Seascope Surveys Indonesia	Subsidiary	Indonesia	97.0	97.0
Seascope Inspection Services Pte. Ltd.**	Subsidiary	Singapore	100.0	100.0
Subtech Ltd., which has one subsidiary as follows:	Subsidiary	Seychelles	100.0	-
Subtech Qatar Diving and Marine Services LLC	Subsidiary	Qatar	97.0	-
Mermaid Drilling Ltd., which has three subsidiaries as follows:	Subsidiary	Thailand	95.0	95.0
MTR-1 Ltd.	Subsidiary	Thailand	100.0	100.0
MTR-2 Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	Subsidiary	Malaysia	100.0	100.0
Mermaid Training and Technical Services Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Singapore) Pte. Ltd., which has one associate and three subsidiaries as follows:	Subsidiary	Singapore	100.0	100.0
Kencana Mermaid Drilling Sdn. Bhd.	Associate	Malaysia	-	40.0
Mermaid Kencana Rig 1 Pte. Ltd.	Subsidiary	Singapore	-	75.0
Mermaid Kencana Rig 2 Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Kencana Rigs (Labuan) Pte. Ltd.	Subsidiary	Malaysia	-	75.0
MTR-1 (Singapore) Ltd. ⁽²⁾	Subsidiary	Singapore	100.0	100.0
MTR-2 (Singapore) Ltd. ⁽²⁾	Subsidiary	Singapore	100.0	100.0
Worldclass Inspiration Sdn. Bhd. ⁽³⁾ , which has a subsidiary as follows:	Associate	Malaysia	25.0	25.0
Allied Marine & Equipment Sdn. Bhd., which has four subsidiaries as follows:	Associate	Malaysia	90.0	90.0
AME Marine Services Sdn. Bhd.	Associate	Malaysia	100.0	100.0
Maju Hydro Sdn. Bhd.	Associate	Malaysia	100.0	100.0
Allied Marine Robotics Sdn. Bhd.*	Associate	Malaysia	100.0	100.0
Allied Support Corporation	Associate	Malaysia	100.0	100.0

⁽¹⁾ Investment portion of 97.0% represents Mermaid Offshore Services Ltd.'s direct ownership of Nemo Subsea IS. Another 3.0% of Nemo Subsea IS is owned by Nemo Subsea AS.

⁽²⁾ On 1 April 2010, Mermaid Drilling (Singapore) Pte. Ltd., a subsidiary, entered into Share Sale and Purchase Agreements with the Company to sell and transfer one ordinary share each of MTR-1 (Singapore) Ltd. and MTR-2 (Singapore) Ltd., as described in Note 5.1.

⁽³⁾ On 10 June 2010, the Company acquired ordinary shares in Worldclass Inspiration Sdn. Bhd. from Mermaid Offshore Services Ltd., as described in Note 5.2.

* Under dissolution.

** Under dissolution, the liquidation was subsequently completed on 14 July 2010.

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5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries

The movement of investments in subsidiaries during the nine-month periods that ended on 30 June 2010 and 2009 is as follows:

	Consolidated		Company	
	30 June 2010 Baht'000	30 June 2009 Baht'000	30 June 2010 Baht'000	30 June 2009 Baht'000
Opening balance	-	-	5,237,264	3,543,392
Additional investments in subsidiaries	699,818	1,436,132	-	1,436,132
Disposals of investments in subsidiaries	(1,591,660)	-	-	-
Elimination and deconsolidation of investments in subsidiaries	891,842	(1,436,132)	-	-
Ending balance	-	-	5,237,264	4,979,524
<u>Less</u> Allowance for impairment loss of investments in a subsidiary	-	-	(241,536)	-
Closing net book amount	-	-	4,995,728	4,979,524

Mermaid Maritime Public Company Limited (“the Company”)

During the nine-month period that ended on 30 June 2010, the Company had additional investments in subsidiaries as follows:

MTR-1 (Singapore) Ltd. and MTR-2 (Singapore) Ltd.

On 1 April 2010, the Company has entered into Share Sale and Purchase Agreements with Mermaid Drilling (Singapore) Pte. Ltd., a subsidiary, for the purchase of the shares as follows:

- Purchase of 1 share with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of MTR-1 (Singapore) Ltd. The total purchase value was USD 1.
- Purchase of 1 share with a par value of USD 1 constituting 100% of the total issued and paid-up share capital of MTR-2 (Singapore) Ltd. The total purchase value was USD 1.

5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries (Cont'd)

Mermaid Offshore Services Ltd. (“MOS”)

During the nine-month period that ended on 30 June 2010, MOS, a subsidiary, had additional investments in subsidiaries as follows:

Nemo Subsea AS and Nemo Subsea IS

On 26 October 2009, MOS entered into Sale and Purchase Agreements with the shareholders of Nemo Subsea IS and Nemo Subsea AS for the purchase of the shares as follows:

- Purchase of 76.5 shares representing 76.50% of the total shares in Nemo Subsea IS. The total purchase value was Baht 362.4 million (or USD 10.8 million);
- Purchase of 1,000 shares representing 100% of the total shares in Nemo Subsea AS which owns 3 shares representing 3.00% of the total shares in Nemo Subsea IS. The total purchase value was Baht 14.2 million (or USD 0.4 million).

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 partnership. The vessel was completed and delivered on 29 January 2010. Upon delivery, the vessel was originally planned to commence a time charter with MOS through, firstly, a bareboat charter from Nemo Subsea AS to the service provider who shall be responsible to operate the vessel, and secondly a time charter of the vessel from such service provider to MOS. In parallel with negotiations leading up to the execution of the transactions, MOS concluded an agreement with the service provider and Nemo Subsea AS to terminate the time charter with such service provider as described in note 12 (b) “Vessel Charter Contract” 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.

Details of the acquisition are as follows:

As at 26 October 2009^(a)	Baht'000
Purchase consideration	451,076
Fair value of net assets acquired	451,076
Goodwill	-
Cash paid for the acquisition of investment	451,076
<u>Less</u> Reclassification from other long-term investments (Note 6)	(77,697)
Cash and cash equivalents of the invested company	(7,742)
Cash outflows on the acquisition, net of cash and cash equivalents acquired	365,637

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5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries (Cont'd)

Mermaid Offshore Services Ltd. ("MOS") (Cont'd)

Nemo Subsea AS and Nemo Subsea IS (Cont'd)

The fair value at 100% interest of assets and liabilities acquired in Nemo Subsea AS and Nemo Subsea IS is as follows:

	<u>Baht'000</u>
Cash and cash equivalents	7,742
Vessel under construction	609,903
Other current assets	539
Deferred expenses	23,632
Long-term loans from financial institutions	(190,438)
Other liabilities	(302)
Fair value of net assets	<u>451,076</u>
Interest acquired	100%
Fair value of net assets acquired	451,076

^(a) The carrying amount of assets and liabilities was based on 31 October 2009, which was the nearest date to the acquisition date (26 October 2009).

Subtech Ltd. and Subtech Qatar Diving and Marine Services LLC

On 12 March 2010, MOS purchased from Subtech (Proprietary) Ltd. the entire issued shares of Subtech Ltd. for USD 7,500,000. 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 MOS taking into relevant consideration of its own business and technical due diligence and professional third party legal and financial due diligence of Subtech Ltd. and Subtech Qatar Diving and Marine Services LLC ("Subtech Qatar"), its subsidiary.

As at 30 June 2010, MOS has fully paid to the seller for USD 7,500,000.

Subtech Ltd. is a company incorporated in Seychelles. Its principal investment is a 97% beneficial interest in Subtech Qatar. Subtech Qatar is an IMCA diving and sub-sea contractor incorporated and based in Qatar. Its services are mainly in the Middle East and Persian Gulf region.

Details of the acquisition are as follows:

As at 12 March 2010^(b)	<u>Baht'000</u>
Purchase consideration	248,578
Fair value of net assets acquired ^(c)	182,611
Goodwill	<u>65,967</u>
Cash paid for the acquisition of investment	248,578
<u>Less</u> Account payable for investment in a subsidiary	(19,212)
Cash and cash equivalents of the invested company	(102,655)
Cash outflows on the acquisition, net of cash and cash equivalents acquired	<u><u>126,711</u></u>

5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries (Cont'd)

Mermaid Offshore Services Ltd. ("MOS") (Cont'd)

Subtech Ltd. and Subtech Qatar Diving and Marine Services LLC (Cont'd)

The fair value at 100% interest of assets and liabilities acquired in Subtech Ltd. and Subtech Qatar Diving and Marine Services LLC is as follows:

	Baht'000
Cash and cash equivalents	102,655
Accounts receivable, net	349,979
Equipment, net	78,307
Intangible assets, net	1,111
Other current assets	5,055
Accounts payable	(319,638)
Other liabilities	(34,858)
	<hr/>
Fair value of net assets	182,611
	<hr/>
Interest acquired	100%
Fair value of net assets acquired	182,611

(b) As at 30 June 2010, the subsidiaries are under the process of determining fair value of the acquired net assets and reviewing purchase price allocation ("PPA"). Therefore, the goodwill presented above may be subject to adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

(c) The carrying amount of assets and liabilities was based on 28 February 2010, which was the nearest date to the acquisition date (12 March 2010).

Mermaid Drilling (Singapore) Pte. Ltd. ("MDS")

During the nine-month period that ended on 30 June 2010, MDS, a subsidiary, sold its investments in an associate and subsidiaries as follows:

- Kencana Mermaid Drilling Sdn. Bhd. (an associate)
- Mermaid Kencana Rig 1 Pte. Ltd.
- Mermaid Kencana Rigs (Labuan) Pte. Ltd.

MDS, a wholly owned subsidiary of the Company, has entered into three separate Sale and Purchase Agreements dated 21 June 2010 for the 'en bloc' sale of its entire shareholdings (collectively, "Proposed Transaction") in Mermaid Kencana Rig 1 Pte. Ltd. ("MKR-1"), Mermaid Kencana Rigs (Labuan) Pte. Ltd. ("MKRL") and Kencana Mermaid Drilling Sdn. Bhd. ("KMD") (collectively, "Target Companies"). The disposal of its entire shareholdings in the Target Companies collectively constitutes the disposal of Mermaid's investments in the "KM-1" tender rig project.

MKR-1 and MKRL are presently 75% owned subsidiaries of MDS, and KMD is presently a 40% owned associate company of MDS. Upon completion of the Proposed Transaction, MKR-1 and MKRL will cease to be subsidiaries of MDS, and KMD will cease to be an associate company of MDS.

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5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries (Cont'd)

Mermaid Drilling (Singapore) Pte. Ltd. ("MDS") (Cont'd)

The aggregate value of the consideration for the Target Companies is USD 43,650,000 ("Sale Consideration").

The amount of loss from the Proposed Transaction is approximately USD 7,350,000. The receipt of the Sale Consideration and the inter-company loan settlement can be subsequently utilised by the Company to pursue other business opportunities.

Details of the disposal are as follows:

	<u>Baht'000</u>
Sale Consideration as at 21 June 2010	1,415,775
Proceed from disposals of investments in subsidiaries on 22 June 2010	<u>(323,235)</u>
Other receivables as at 30 June 2010	<u>1,092,540</u>

As at 21 June 2010, the net book value at 100% interest of assets and liabilities disposed in the above subsidiaries (MKR-1 and MKRL) are as follows:

	<u>MKR-1 Baht'000</u>	<u>MKRL Baht'000</u>	<u>Total Baht'000</u>
Cash and cash equivalents	1,138	67	1,205
Advances to suppliers	258,079	-	258,079
Other current assets	8,391	265	8,656
Deferred assets	40,009	-	40,009
Construction in progress	3,423,453	-	3,423,453
Short-term loans from MDS	(97,332)	-	(97,332)
Other accounts payable	(412,688)	(217)	(412,905)
Amounts due to Mermaid group	(528,432)	(641)	(529,073)
Long-term loans from financial institutions	(517,482)	-	(517,482)
Other liabilities	(10,178)	(161)	(10,339)
Net book value of net assets	<u>2,164,958</u>	<u>(687)</u>	<u>2,164,271</u>

	<u>Baht'000</u>
Cost of investments at the acquisition date	1,736,764
Exchange rate effect on cost of investments in subsidiaries	(82,120)
Cumulative share of losses and translation adjustments of investments in subsidiaries	<u>(62,984)</u>
Net book amount as at 21 June 2010	<u>1,591,660</u>
Sale Consideration	1,415,775
Net book amount of investments in subsidiaries	(1,591,660)
Translation adjustments	<u>(3,077)</u>
Losses on disposal of investments in subsidiaries	<u>(178,962)</u>

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5 Investments in subsidiaries and associates (Cont'd)

5.2 Investments in associates

	Consolidated		Company	
	30 June 2010 Baht'000	30 June 2009 Baht'000	30 June 2010 Baht'000	30 June 2009 Baht'000
Opening balance	387,967	405,296	-	-
Addition of investments in associates	-	-	410,000	-
Share of profits (losses) of investments in associates	19,779	(15,707)	-	-
Ending balance	407,746	389,589	410,000	-

Investments in Worldclass Inspiration Sdn. Bhd.

On 10 June 2010, the Company acquired 9,007,407 ordinary shares in Worldclass Inspiration Sdn. Bhd. ("WCI") from MOS with a par value of RM 1 per share, at a subscription price of RM 4.6 per share, totalling RM 41.7 million, or equivalent to Baht 410 million. The subscribed shares represent 25% of the total paid-up share capital of WCI.

Investments in Kencana Mermaid Drilling Sdn. Bhd.

On 21 June 2010, MDS, a subsidiary, sold its entire investment in Kencana Mermaid Drilling Sdn. Bhd. to a third party. The net book amount of this investment at the disposed date was nil.

Details of the disposal are as follows:

	Baht'000
Sale Consideration as at 21 June 2010	406
Proceeds from disposals of investments in an associate	-
Other receivables as at 30 June 2010	406
	Baht'000
Cost of investments at the acquisition date	408
Exchange rate effect on cost of investments in an associate	(19)
Cumulative shares of losses of investments in an associate	(389)
Net book amount as at 21 June 2010	-
Sale Consideration	406
Net book amount of investments in an associate	-
Translation adjustments	5
Gains on disposal of investments in an associate	411

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6 Other long-term investments

Other long-term investments are investments in other companies.

	Consolidated Baht'000
For the nine-month period that ended on 30 June 2010	
Opening net book amount	77,697
Reclassification to investment in a subsidiary (Note 5.1)	(77,697)
Closing net book amount	-

Prior to 26 October 2009, MOS invested in ordinary shares representing 20.5% of the total shares in Nemo Subsea IS for Baht 77.7 million. On 26 October 2009, MOS made additional investments in Nemo Subsea IS as mentioned in Note 5.1. Therefore, other long-term investments is reclassified to be an investment in a subsidiary from that date.

7 Property, plant, and equipment, net

7.1) Property, plant, and equipment, net in the balance sheet, comprise:

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000
Opening net book amount	10,300,959	7,492,276	189,264	208,054
Additions	5,141,504	2,298,239	3,949	2,666
Additional investments in subsidiaries	688,210	-	-	-
Disposals	(76,790)	(8,845)	-	(873)
Decrease from disposals of investments in subsidiaries	(3,423,453)	-	-	-
Write-off	(5,461)	(72)	(37)	-
Depreciation charge	(487,751)	(411,136)	(14,999)	(15,331)
Translation adjustments	(120,309)	(1,587)	-	-
Closing net book amount	12,016,909	9,368,875	178,177	194,516

Consolidated

The significant additions during the nine-month period that ended on 30 June 2010 were:

- payments under an ROV support vessel construction contract totalling Baht 296.2 million;
- payments under a DP2 dive support vessel construction contract (Mermaid Endurer) totalling Baht 1,948.2 million;
- purchase of a DP2 construction support vessel (Mermaid Siam) of Baht 976.7 million;
- payments under a saturation diving system contract and a DP2 dive support vessel construction contract (Mermaid Asiana) of Baht 1,463.3 million.

The significant disposals during the nine-month period that ended on 30 June 2010 were disposals of a offshore support vessel, equipment, and motor vehicle at a total net book value of Baht 76.8 million.

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7 Property, plant, and equipment, net (Cont'd)

7.2) The depreciation charges during the three-month and nine-month periods that ended on 30 June are as follows:

	For the three-month periods that ended on 30 June			
	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation charged to				
- Cost of services	173,169	134,327	-	-
- Administrative expenses	8,901	6,757	5,015	5,080
	<u>182,070</u>	<u>141,084</u>	<u>5,015</u>	<u>5,080</u>

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation charged to				
- Cost of services	460,961	384,586	-	-
- Administrative expenses	26,790	26,550	14,999	15,331
	<u>487,751</u>	<u>411,136</u>	<u>14,999</u>	<u>15,331</u>

7.3) Property, plant, and equipment as at 30 June 2010 used as collateral for loan facilities can be summarised as follows:

There are land and buildings, one saturation diving system, three remotely operated vehicle (ROV), and two tender rigs that are mortgaged with various banks as collateral for their overdrafts and loan facilities as described in Note 8. These assets are mortgaged at a total value of Baht 2,746 million (30 September 2009: Baht 2,606 million).

8 Long-term loans from financial institutions

Long-term loans from financial institutions comprise:

	Consolidated		Company	
	30 June	30 September	30 June	30 September
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Current portion of long-term loans	818,733	466,834	24,800	24,800
Long-term portion of loans	3,878,007	2,073,459	17,400	36,000
Loans from financial institutions	<u>4,696,740</u>	<u>2,540,293</u>	<u>42,200</u>	<u>60,800</u>

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8 Long-term loans from financial institutions (Cont'd)

The movement of long-term loans from financial institutions for the nine-month periods that ended on 30 June 2010 and 2009 is as follows:

	Consolidated		Company	
	30 June 2010 Baht'000	30 June 2009 Baht'000	30 June 2010 Baht'000	30 June 2009 Baht'000
Beginning balance	2,540,293	1,938,427	60,800	85,600
Additions during period	2,905,790	841,327	-	-
Additional investments in subsidiaries	190,438	-	-	-
Decreases from disposals of investments in subsidiaries	(517,482)	-	-	-
Repayments during period	(358,181)	(643,098)	(18,600)	(12,400)
Realised (gains) losses on exchange rates	(4,917)	13,777	-	-
Unrealised (gains) losses on exchange rates	(38,944)	(1,282)	-	-
Translation adjustments	(20,257)	-	-	-
Ending balance	4,696,740	2,149,151	42,200	73,200

As at 30 June 2010, the total outstanding amounts of long-term loans granted by local and overseas commercial banks are Baht 1,001.44 million and USD 112.31 million, respectively (30 September 2009: Baht 934.3 million and USD 47.7 million). These loans are secured by mortgages of the Group's assets as mentioned in Note 7.3 and are guaranteed by the Company and certain subsidiaries.

According to a condition of the loan agreements for all asset acquisitions, the Company and its subsidiaries are not allowed to create any encumbrance on the assets, which are used as collateral, and, or in relation with the loan agreements, except for encumbrances created with the prior consent of the banks and permitted liens. The Company and its subsidiaries must comply with other conditions and restrictions stated in the term loan agreements.

As at 30 June 2010, the Company in its capacity as a guarantor for loans undertaken by subsidiaries had breached a guarantor loan covenant. The Company's management has already commenced discussions with the relevant banks and is of the opinion that the outcome will not result in a material adverse effect.

Borrowing facilities

The Group and the Company have the following undrawn committed long-term borrowing facilities:

	30 June 2010			
	Consolidated		Company	
	Baht Million	USD Million	Baht Million	USD Million
Floating interest rate				
- Remaining availability period less than one year	-	63	-	-
	30 September 2009			
	Consolidated		Company	
	Baht Million	USD Million	Baht Million	USD Million
Floating interest rate				
- Remaining availability period less than one year	274	122	-	-

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9 Share capital and premium on share capital

For the nine-month period that ended on 30 June 2010:

	Par value	Number of registered ordinary shares	Issued and paid-up ordinary shares	Premium on share capital	Total
	Baht	Shares'000	Shares'000	Baht'000	Baht'000
As at 30 September 2009	1	544,903	541,205	6,470,791	7,011,996
Decrease in number of shares registered	1	(5,190)	-	-	-
Issuance of shares	1	250,894	243,543	3,349,108	3,592,651
As at 30 June 2010	1	790,607	784,748	9,819,899	10,604,647

As at 30 June 2010 and 30 September 2009, all issued shares were fully paid.

9.1 At the Extraordinary General Meeting of Shareholders No.1/2009 held on 14 October 2009, there were significant matters approved by the shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 544,903,340 to Baht 541,903,340 by means of the cancellation of 3,000,000 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated under ESOP 2009. The reduction in the registered share capital was registered with the Ministry of Commerce on 15 October 2009.
- An increase in the registered share capital of the Company from Baht 541,903,340 to Baht 788,797,743 by means of issuance of 246,894,403 new ordinary shares with a par value of Baht 1 each. The increase in the registered share capital was registered with the Ministry of Commerce on 16 October 2009.
- The allocation of 243,542,403 rights shares from the increase in registered share capital for offering to registered shareholders. The rights shares issue will be offered at an issue price of SGD 0.64 for each rights share on the basis of nine new ordinary shares for every twenty existing ordinary shares with a par value of Baht 1 each in the capital of the Company.
- The allocation of 352,000 new shares from the increase in registered share capital to provide for the adjustments of the options under ESOP 2008 and the allocation of 3,000,000 new shares from the increase in registered share capital for distribution under ESOP 2009.

9.2 On 19 November 2009, the Company received proceeds from the rights issue of Baht 3,696.1 million. The proceeds are split into an increase in share capital of Baht 243.5 million and share premium of Baht 3,452.6 million before deducting expenses relating to the rights issue. The additional paid-up share capital was registered with the Ministry of Commerce on 23 November 2009.

9.3 At the Annual General Meeting of Shareholders No.1/2010 held on 28 January 2010, there were significant matters approved by the shareholders as follows:

- A reduction in the registered share capital of the Company from Baht 788,797,743 to Baht 786,607,343 by means of the cancellation of 2,190,400 ordinary shares with a par value of Baht 1 each that have remained unissued or unallocated under the Employee Stock Option Plans ("ESOP") for 2008 and 2009.
- The issue and offer up to 4,000,000 free warrants to directors and employees of the Company or subsidiaries under ESOP 2010 pursuant to its terms.
- An increase in the registered share capital of the Company from Baht 786,607,343 to Baht 790,607,343 by means of issuance of 4,000,000 new ordinary shares with a par value of Baht 1 each.
- The allocation of 4,000,000 new ordinary shares from the increase in registered share capital for distribution under ESOP 2010.

9.4 The ESOP 2010 was subsequently approved by the Annual General Meeting of Shareholders No. 1/2010 held on 29 January 2010 of Thoresen Thai Agencies Public Company Limited, the parent company, as required by the notification No. Tor Jor 32/2551 of the Securities and Exchange Commission of Thailand.

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10 Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing the net profits (losses) attributable to the ordinary shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the period.

For the purpose of calculating diluted earnings (losses) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has an Employee Share Option Plan in issue.

A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the period) based on the outstanding Employee Share Option Plan to determine the number of potential ordinary shares would have been additionally issued. The potential shares are added to the ordinary shares outstanding, but no adjustment is made to net profit.

For the calculation of the diluted earnings (losses) per share, the weighted average number of shares assuming conversion of all dilutive potential ordinary shares for the three-month and nine-month periods that ended on 30 June 2010 are 497,202 shares and 513,708 shares, respectively (30 June 2009: 73,485 shares and 44,616 shares, respectively).

	For the three-month periods that ended on 30 June			
	Consolidated		Company	
	2010	2009	2010	2009
Net profits (losses) for the period attributable to ordinary shareholders of the parent (Baht'000)	(269,553)	317,221	(206,185)	(38,483)
Weighted average number of ordinary shares (Shares'000)	784,748	541,278	784,748	541,278
Basic and diluted earnings (losses) per share (Baht)	(0.34)	0.59	(0.26)	(0.07)

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2010	2009	2010	2009
Net profits (losses) for the period attributable to ordinary shareholders of the parent (Baht'000)	(341,731)	565,611	(327,184)	1,673
Weighted average number of ordinary shares (Shares'000)	737,467	541,250	737,467	541,250
Basic and diluted earnings (losses) per share (Baht)	(0.46)	1.05	(0.44)	0.00

There is no significant impact from dilutive potential ordinary shares in issue during the three-month and nine-month periods that ended on 30 June 2010 and 2009.

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11 Guarantees

As at 30 June 2010 and 30 September 2009, the Group and the Company have outstanding guarantees as follows:

	Consolidated					
	30 June 2010				30 September 2009	
	Baht'000	USD'000	NOK'000	QAR'000	Baht'000	USD'000
Letters of guarantee issued by banks in the normal course of business	15,650	436	47	14,500	15,897	522
A guarantee for long-term loans of associates to a financial institution	-	25,907	-	-	-	28,935
	Company					
	30 June 2010				30 September 2009	
	Baht'000	USD'000	NOK'000	QAR'000	Baht'000	USD'000
Letters of guarantee issued by banks in the normal course of business	400	-	-	-	400	-
A guarantee for long-term loans of subsidiaries to a financial institution	1,001,438	112,306	-	-	873,477	47,660

12 Commitments

(a) *Capital commitments*

	Consolidated		Company	
	30 June 2010	30 September 2009	30 June 2010	30 September 2009
	Baht'000	Baht'000	Baht'000	Baht'000
Vessel and rig building contracts				
US Dollar	-	2,020,654	-	-
Norwegian Krone	14,924	1,815,114	-	-
Euro	150,806	385,824	-	-
Vessel equipment contracts				
US Dollar	-	30,328	-	-
Singapore Dollar	-	21,888	-	-

(b) *Operating lease commitments - group company as lessee*

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases of vessels are as follows:

	Consolidated		Company	
	30 June 2010	30 September 2009	30 June 2010	30 September 2009
	Baht'000	Baht'000	Baht'000	Baht'000
No later than 1 year	-	349,779	-	-

Vessel Charter Contract

In May 2007, a subsidiary entered into a long-term charter agreement for a dynamically positioned (Class 2) dive support vessel for a period of ten years with an exclusive option to purchase the vessel, at a fixed price, commencing from the third to the tenth years after the vessel is delivered. As mentioned in Note 5.1, this vessel charter contract with a service provider was terminated as part of the acquisition of Nemo Subsea AS by MOS during the first quarter of the 2010 financial year.

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12 Commitments (Cont'd)

(c) *Services agreement*

As at 30 June 2010, the Group has one outstanding drilling services agreement. The remaining agreement period is 9 months.

(d) *Other commitments*

As at 30 June 2010, the Group has other commitments approximately Baht 69 million.

13 Related party transactions

Significant related party transactions are as follows:

13.1 Transactions with related parties

Significant related party transactions between the Company and its subsidiaries, associates, and other related parties which mean the group companies of Thoresen Thai Agencies Public Company Limited are as follows:

	For the three-month periods that ended on 30 June			
	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
<u>Service income</u>				
Associate	-	5,050	-	-
Other related parties	32	99	-	-
	<u>32</u>	<u>5,149</u>	<u>-</u>	<u>-</u>
<u>Interest income</u>				
Subsidiaries	-	-	24,788	6,053
<u>Management fee income</u>				
Subsidiaries	-	-	23,340	17,580
<u>Rental income</u>				
Subsidiaries	-	-	1,975	2,146
Other related parties	418	418	418	418
	<u>418</u>	<u>418</u>	<u>2,393</u>	<u>2,564</u>
Expenses				
<u>Cost of services</u>				
Other related parties	8,528	9,667	-	-

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13 Related party transactions (Cont'd)

13.1 Transactions with related parties (Cont'd)

	For the nine-month periods that ended on 30 June			
	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
<u>Service income</u>				
Associate	-	5,050	-	-
Other related parties	245	299	-	-
	<u>245</u>	<u>5,349</u>	<u>-</u>	<u>-</u>
<u>Interest income</u>				
Subsidiaries	-	-	50,387	25,422
Other related parties	-	8,285	-	-
	<u>-</u>	<u>8,285</u>	<u>50,387</u>	<u>25,422</u>
<u>Management fee income</u>				
Subsidiaries	-	-	70,020	52,740
	<u>-</u>	<u>-</u>	<u>70,020</u>	<u>52,740</u>
<u>Rental income</u>				
Subsidiaries	-	-	6,261	6,400
Other related parties	1,255	1,255	1,255	1,255
	<u>1,255</u>	<u>1,255</u>	<u>7,516</u>	<u>7,655</u>
Expenses				
<u>Cost of services</u>				
Other related parties	24,425	34,640	-	-
	<u>24,425</u>	<u>34,640</u>	<u>-</u>	<u>-</u>
<u>Expenses relating to the right issue</u>				
Other related party	67,322	-	67,322	-
	<u>67,322</u>	<u>-</u>	<u>67,322</u>	<u>-</u>

The expenses relating to the rights issue are offset with premium on share capital when presented in the balance sheet.

There has been no significant change to the Group's policies in respect of related party transactions during the three-month and nine-month periods that ended on 30 June 2010.

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13 Related party transactions (Cont'd)

13.2 Accounts receivable and payable - related parties

	Consolidated		Company	
	30 June 2010 Baht'000	30 September 2009 Baht'000	30 June 2010 Baht'000	30 September 2009 Baht'000
<u>Trade accounts receivable</u>				
Other related parties	34	113	-	-
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	530,315	474,020
Associates	1,678	1,928	-	-
Other related parties	53	25	53	25
	<u>1,731</u>	<u>1,953</u>	<u>530,368</u>	<u>474,045</u>
<u>Trade accounts payable</u>				
An associate	-	6,248	-	-
Other related parties	5,615	3,710	-	-
	<u>5,615</u>	<u>9,958</u>	<u>-</u>	<u>-</u>
<u>Amounts due to related parties</u>				
A subsidiary	-	-	325,866	4
Other related parties	14	29	14	29
	<u>14</u>	<u>29</u>	<u>325,880</u>	<u>33</u>

13.3 Short-term loans to related parties

	Interest rate (%)	Consolidated		Company	
		30 June 2010 Baht'000	30 September 2009 Baht'000	30 June 2010 Baht'000	30 September 2009 Baht'000
Subsidiaries					
- Baht	2.75%	-	-	-	200,000
- US Dollar	2.75%	-	-	3,319,250	537,102
		<u>-</u>	<u>-</u>	<u>3,319,250</u>	<u>737,102</u>

All short-term loans to related parties are unsecured and have repayment terms at call.

14 Subsequent events

The Company has entered into a Share Sale Agreement (“Agreement”) dated 9 July 2010 for the sale of its twenty five percent (25%) shareholding (“Proposed Transaction”) in Worldclass Inspiration Sdn. Bhd. (“WCI”) to Georgia Attraction Sdn. Bhd. (“Purchaser”), the other shareholder of WCI. WCI is an investment holding company whose sole asset is ninety percent (90%) of the shares in Allied Marine & Equipment Sdn. Bhd. (“AME”), a Petronas licensed provider of subsea engineering services to the offshore oil and gas industry incorporated in Malaysia. Upon completion of the Proposed Transaction, WCI (and AME) will cease to be associated companies of the Company.

The aggregate value of the consideration for the Sale Shares is approximately USD 23.4 million.

The amount of gains from the Proposed Transaction is approximately USD 11.9 million.