



## MERMAID MARITIME PUBLIC COMPANY LIMITED

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### **Mermaid and Keppel FELS Shipyard enters into Letter of Intent for Construction of Two Newbuild Jack-up Rigs** *Contemplated deal includes options for another two jack-up rigs, all for a Mermaid-led joint venture in a proposed new entity 'Asia Offshore Drilling Limited', reflecting demand for high specification modern drilling assets.*

Mermaid Maritime Public Company Limited ("Mermaid") wishes to announce that Keppel Offshore & Marine Limited's subsidiary Singapore Keppel FELS Limited ("Keppel") and Mermaid has entered into a Letter of Intent with a combined value of about US\$360 million to build two jack-up rigs with options for another two jack-up rigs for a new Mermaid-led joint-venture named 'Asia Offshore Drilling Limited' ("AOD").

In the event that the proposed deal proceeds, the two jack-up rigs scheduled for delivery on 01 December 2012 and 01 March 2013 respectively will be built based on Keppel FELS proprietary design, the Mod V – B Class. These premium jack-up rigs will be capable of operating in waters of 350 feet and will be equipped with offline handling features and accommodation for 150 personnel.

The value of the first two jack-up rigs is estimated to be about US\$180 million each and the total estimated value of two jack-up rigs, including options for another two units, if exercised, is expected to be above US\$700 million.

In connection with the contemplated order, RS Platou Markets has been retained as financial advisor to AOD and Mermaid plans to invest equity in AOD and to seek other investors who will jointly invest with Mermaid to raise initial capital for the venture to fund the first two jack-up rigs. Upon the successful conclusion of the equity placement and finalization of technical specifications and terms and conditions, it is expected that the rig construction and option contracts between AOD and Keppel will be formally executed, upon which the contemplated transaction shall become firm. Mermaid will make another announcement in due course when this is achieved.

This Letter of Intent by Mermaid represents a significant order from an Asian drilling company, and reflects Mermaid's intention to be a long-term owner of high specification and modern drilling assets in the region.

Please be informed accordingly.

Yours sincerely,

Vincent Siaw  
Company Secretary  
22 October 2010