
MEMORANDUM

TO : Asia Offshore Drilling Limited Shareholders
CC :
FROM : M.L. Chandchutha Chandratat
DATE : 13 December 2010
SUBJ : **Project Progress**

First, we need to apologize for not thanking you for your participation in the Asia Offshore Drilling Limited (“AOD”) equity raising exercise. Since the end of our road show, we have been very busy to complete the various conditions precedent outlined during the road show and in the press releases. At this time, we wish to thank you for believing in the AOD story and becoming our co-investors. We greatly appreciate your support.

A quick update on the project to date:

- On 1 December 2010, AOD signed the turnkey construction agreement with Keppel Offshore & Marine Limited’s subsidiary, Singapore Keppel FELS Limited (“Keppel FELS”), to build two high-specification jack-up rigs worth approximately USD 360 million and scheduled for delivery in 2012 and 2013, respectively. AOD also signed an agreement that provides options to build two more high-specification jack-up rigs with Keppel FELS.
- On 1 December 2010, AOD and Mermaid Maritime Public Company Limited (“Mermaid”) signed a number of agreements under which Mermaid would manage the project construction and, after delivery, the commercial and technical operations of the two rigs.
- On 2 December 2010, AOD shares were listed on the Norwegian over the counter list (“Norwegian OTC”) (ticker: AODL).
- On 8 December 2010, steel cutting commenced on the two rigs, as evidenced from the below photos.



- Also on 8 December 2010, a highly experienced project manager, Stan Christopher, agreed to join Mermaid and supervise the construction of the two rigs. Stan has been based in Singapore since 2006 with drilling contractor Noble Corp. overseeing their new build and refurbishment projects totalling more than USD 2.3 billion and was involved with their takeover of privately held FDR Holdings Limited, also known as Frontier Drilling. He is a veteran of the drilling industry having experience as Barge Master, Offshore Installation Manager, Rig Mover, and Operations Manager. Stan is also a qualified attorney.
- Marketing trips for these two rigs have been scheduled for January 2011, with trips planned to Vietnam, Mexico, and the Middle East. The Chevron Thailand Exploration and Production Limited (“Chevron Thailand”) tender under which Mermaid had bid one new build jack-up rig, is still in the review process, and

Mermaid has received some clarification questions from Chevron Thailand regarding its technical submission.

As promised during the road show, we shall continue to provide our co-investors with regular updates on the project and visit you in 2011. All AOD news releases shall be posted on Mermaid's website, www.mermaid-maritime.com, so we recommend that you sign up on the website to receive these releases automatically.

Finally, we wish you a Merry Christmas and Happy New Year. We can only hope that 2011 will be a better year than 2010 for all of us.

Yours sincerely,



M.L. Chandchutha Chandratat (Ike)