
MEMORANDUM

TO : Asia Offshore Drilling Limited Shareholders
CC :
FROM : M.L. Chandchutha Chandratat
DATE : 4 March 2011
SUBJ : **Project Progress**

It has been over two months since our last update about Asia Offshore Drilling Limited (“AOD”). While there may have been little public news about AOD, we continue to work very hard to lay the foundations for our planned growth.

A quick update on the project to date:

- On 8 December 2010, steel cutting on the first rig occurred. As of February 2011, more than 100 engineering basic design and class approval drawings have been released, and progress remains on schedule. More importantly, all critical equipment, including drilling packages, jacking systems, generators, and cranes, have been ordered and are scheduled for delivery by the end of 2011 for the first rig. There is a high degree of confidence that the first rig will be delivered on schedule.
- Mr. Stan Christopher, Mermaid’s AOD project manager, has hired a team of seven highly experienced people to oversee construction of both rigs. Specialists in the fields of project administration, construction, mechanical, electrical, structural, and piping are based in Keppel FELS’ yard to ensure the delivery of high quality rigs to AOD.
- Marketing trips for these two rigs have been taken to Australia, Malaysia, and the Middle East. We have seen increasing activity for work in late 2011 and 2012 and expect tenders for rig employment in late 2012 and 2013 to be issued within the next six to nine months from major oil and gas companies.
- In December 2010, Chevron Thailand Exploration and Production Limited (“Chevron Thailand”) announced contract awards for three of their seven drilling rig slots. Two jack-up contracts were awarded to Transocean and one tender rig contract was awarded to Seadrill. Chevron Thailand has since awarded another two tender rig contracts to Seadrill, with three rig slots remaining. An industry publication reported that Chevron Thailand does not require jack-ups further to the two it awarded to Transocean, although this has not yet been formally confirmed by Chevron Thailand to our knowledge.

- On 22 February 2011, steel cutting commenced on the second rig. The below photos were taken during the steel cutting ceremony.



As promised during the road show, we have started the Oslo Axess listing process for AOD. Assuming that all documents are in order, we hope to submit the listing application by the end of March 2011. In preparation for the listing, AOD has successfully recruited two experienced independent directors, Ms. Annette Jumstad and Mr. Rolf Johan Ringdal, to the Board of Directors.

Ms. Jumstad was formerly the CEO of Eitzen Maritime Services in Singapore and provides industrial experience to manage and develop companies. Mr. Ringdal is an attorney and the senior partner at Bugge, Arentz-Hansen & Rasmussen and provides extensive debt financing and mergers and acquisitions experience. Both individuals have been involved in previous Oslo market listings.

Mermaid Maritime Public Company Limited's ("Mermaid") newly appointed CEO, Mr. Denis Welch, has been appointed AOD's interim CEO. One of his key tasks is to establish all structures and systems in AOD and recruit necessary senior management into the company. Mermaid plans to transition its drilling operations into AOD over time to ensure that AOD becomes a standalone company.

As part of our communication process, we plan to do a road show before the listing occurs and hope to meet as many of our co-investors, so see you in late spring or early summer.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "M.L. Chandchutha Chandratat", with a long horizontal flourish extending to the right.

M.L. Chandchutha Chandratat (Ike)

PS: All AOD news releases shall also 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.