1Q2011 Results Briefing

Analyst & Investor Update

8 March 2010

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Agenda

1. Introduction
2. Focus Section: Primer to Subsea Business
3. Subsea Business Review
4. Drilling Business Review
5. Financial Review
6. Questions and Answers

1. Introduction

Denis W. Welch
Chief Executive Officer

An Introduction to the CEO

Denis W. Welch
Chief Executive Officer

- Aged 61
- Joined Mermaid Maritime as CEO on 15 February 2011
- Naval Architecture graduate from Newcastle University
- Elected member of the ABS

Professional History

Board level appointments in leading international companies across marine, construction, automotive, and aerospace industries.

Started career at UK shipbuilder, Swan Hunter as a Naval Architect before joining A&P Appledore ("A&PA"), a marine consultancy working on assignments in North and South America and across Europe.

Joined civil engineering company, Cleveland Bridge & Engineering as Deputy Managing Director responsible for manufacturing and commercial functions after which time he held Board positions in both the Automotive and Aerospace Industries.

Returned to the marine industry in 2001 taking equity and a directorship in a start-up company, Intelligent Engineering, in partnership with chemical giant BASF.

Most recent position as Chief Executive Officer of Drydocks World - Southeast Asia. Managed the post-acquisition merger and restructuring of Labroy Marine and Pan United Marine's rig construction, shipbuilding, shiprepair, and fleet businesses in Singapore and Indonesia into a single operation with central management and common operating system.

Key highlights

- Discussions about breach of debt covenants with bank have been finalized with waiver for 12-months period.
- Settlement reached with Cudd Pressure Control Ltd following cessation of Cudd's contract with Mermaid. USD 3 million has been paid to Mermaid on 15 Feb 2011. MTR-1 en-route back to SE Asia.
- Strike steel for 'Hull-B320' and 'Hull-B321' successfully carried out at Keppel FELS on 8 December 2010 and 22 February 2011 respectively.
- Mr. Stan Christopher, Mermaid's AOD project manager, has hired a team of seven highly experienced people to oversee construction of both rigs.
- New Chief Executive Officer, Mr. Denis W. Welch joined the company on 15 February 2011.

Key highlights (…con’t)

- Successfully carried out Shareholders’ Forum on Saturday 26 February 2011 at Suntec, Singapore

- Subsea utilization of 51.2% for 1Q2011 versus 45.8% in 1Q2010. Continuing efforts to increase utilization moving forward at rates that meet market demands.

- MTR-2 continues to perform excellently and in final stage of discussions with Chevron Indonesia to extend contract.

2. Focus Section: Primer to Subsea Business

Steve Davey

Executive Director

Subsea Services Overview

Focus Areas	Services
Subsea Construction Support	• Seabed excavation and trenching • Survey and visual inspection • ROV/dive support • Geotechnical drilling support
Subsea System Installations	• Subsea flow base, tree and manifold installation • Flow line and umbilical installation and connection • Well flow start up • Step out of existing infrastructure
Subsea Production Maintenance	• Well intervention • Inspection, Repair & Maintenance (IRM) • Subsea System Intervention
Vessel Charters	• Short and long-term charter of vessels

Key Considerations

The more complex the tasks, the lower the competition

Objective to provide maximum value-add on lump sum or day-rate basis to maximize revenue generation per vessel

In areas where company is not competitive, vessel charter approach may be adopted

Ideally to go long in a high market and short in a low market (40/60)

Subsea Positioning

Mermaid 's Geographic Focus

Mermaid's Positioning

•MOS
•Microperi
•Seatrucks

Direct Competitors:

• Hallin
• Bibby
• Caldive
• ISS

•Mcdermott (GoM)
•Clough (Australia)

•Technip
•Subsea 7
•Saipem

•Oceaneering
•Fugro
•DOF

Mermaid's Customers

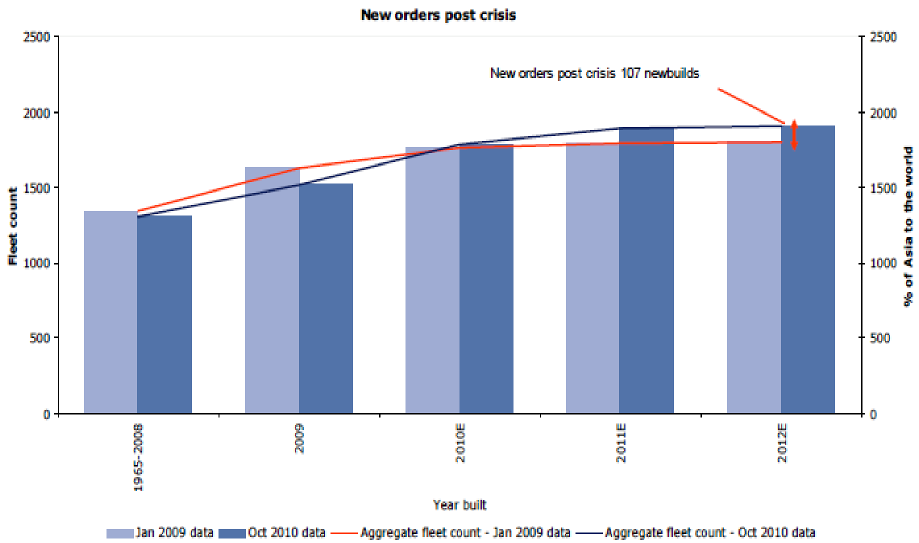
Mermaid's Priorities

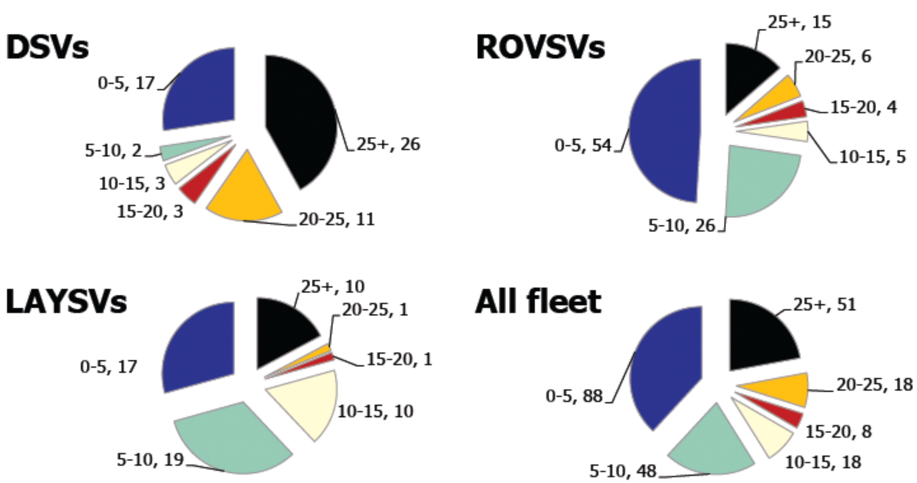
CAT 1 Services inclusive work for strategic oil clients
CAT 2 Services inclusive work for strategic contractor clients
CAT 3 Services/Vessel only for oil companies
CAT 4 Services/Vessel only for competitors
CAT 5 Services work for competitors
CAT 6 Vessel charter work for competitors

Subsea Fleet – Vessel Type

Vessel Type	Purpose	Vessels in Our Fleet
Diving Support Vessels (DSVs)	Diving support vessel is a vessel that is used as a floating base for commercial diving projects. It usually includes a Dynamic Positioning (DP) system to maintain the ships position over a dive site by using multi-directional thrusters controlled by onboard computers, and Saturation (SAT) Diving System, which allows professional divers to live and work at depths greater than 160 ft for days or weeks at a time. There are a number of support systems for the saturation system on a DSV, usually including a Remotely Operated Vehicle (ROV) and heavy lifting equipment.	   
Utility Vessels	Utility boats (mini-supply vessels) are typically used to support production operations, providing storage space, emergency standby, and transporting personnel between platforms. Utility boats are well suited to support smaller, near-shore production facilities.	  
ROV Support Vessel	An ROV support vessels is usually built to accommodate and operate remotely operated underwater vehicle (ROVs), which are unoccupied, highly maneuverable robots operated by a person aboard a vessel. They are linked to the vessel by a tether (sometimes referred to as an umbilical cable), a group of cables that carry electrical power, video and data signals back and forth between the operator and the vehicle.	

Subsea Vessels Demand/Supply



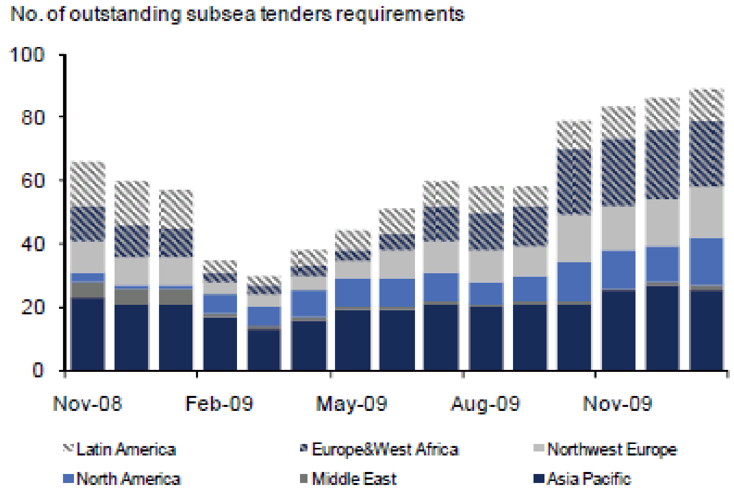


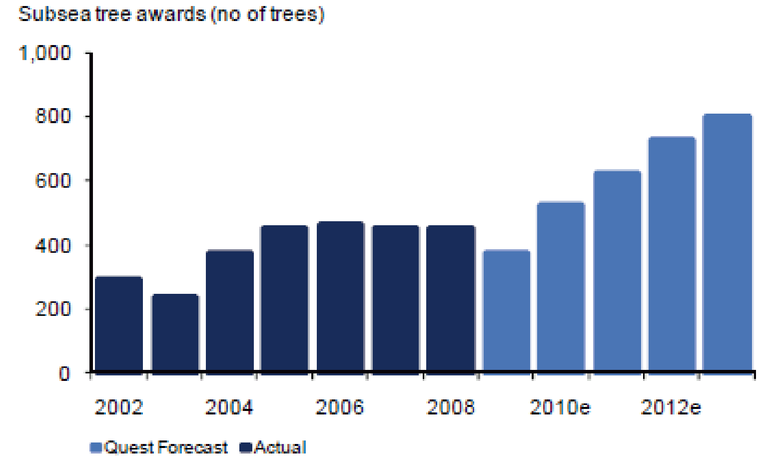
- Newbuild vessels that are coming into the market over the next 1-2 years, were largely ordered during the peak cycle in 2008-2009.
- Demand and supply balance has improved with slowing incremental (rate of acceleration) supply of vessels from 2011 onwards.
- 65% of vessels more than 20 years old. 40% of vessels more than 25 years old. Vessel retirement can return market to balanced state.
- Mermaid competes primarily in the DSV market where the average age of the fleet is the oldest.

Source: ODS-Petrodata, DnB NOR Markets, Nov '11,; Strategic Offshore Research, Global Sunsea Market to 2013

Increasing tendering activity in the global subsea sector

Global outstanding subsea tender requirements vs. number of expected subsea awards



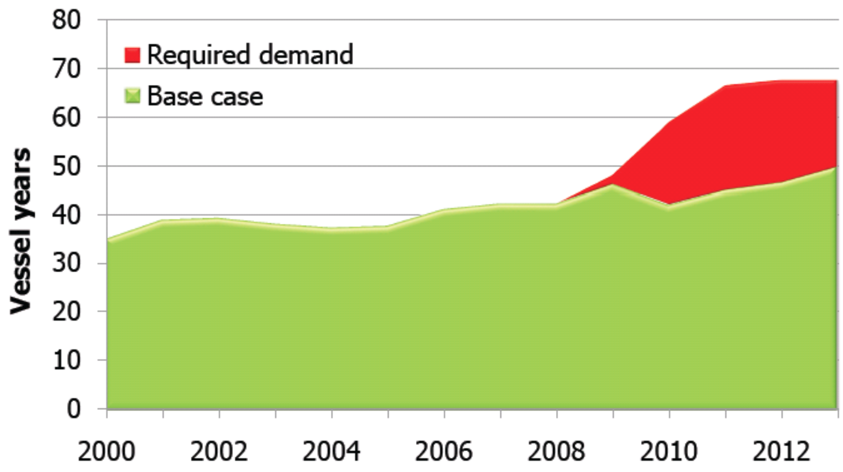


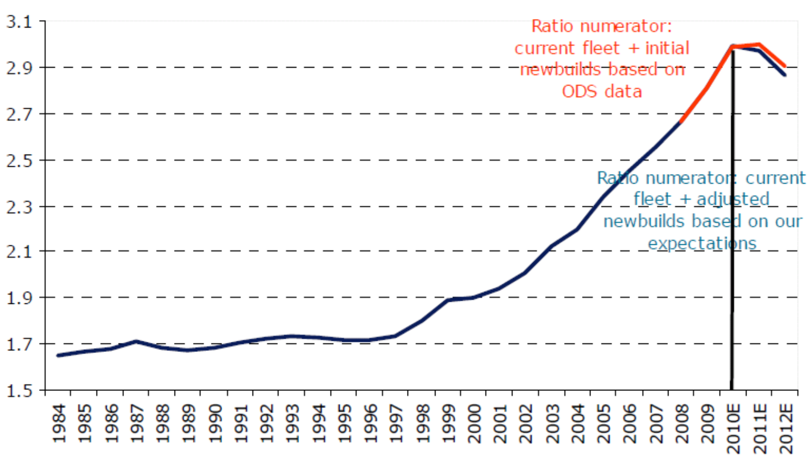
Known offshore projects in South East Asia with first oil from '10e

Project	Country	Block/Location	Operator	Award	First oil	Total reserves mboe	Water depth (m)
Terang Sirasun	Indonesia	Kangean	EMP		2010e	463	200
Pagerungan Utara	Indonesia	East Java	Kangean		2010e		
Te Giac Trang	Vietnam	Block 16-1 Cuu Long Basin	PetroVietnam	2010e	2011e	300	45
South Mahakam Phase 1	Indonesia	Kalimantan	Total		2012e	200	
Malakai	Malaysia	Block G	Shell		2012e	108	480
Pisagan	Malaysia	Block G	Shell		2012e	56	1,000
Bongkot South	Thailand	Gulf of Thailand	Total		2012e		
Gendalo-Gehem	Indonesia	Kutei Basin	Chevron	2010e	2013e	1,100	1,000-1,800
Malikai	Malaysia	Block G	Shell	2010e	2014e	108	480
Voi Trang	Vietnam	Block 16-1	PetroVietnam		2014e		
Sunrise Ph1	Timor/Australia	Timor Leste island	Woodside	2011e	2015e	32,268	180-400

Source: Pareto Research, ODS-Petrodata, Quest Offshore

2012 is the turning point



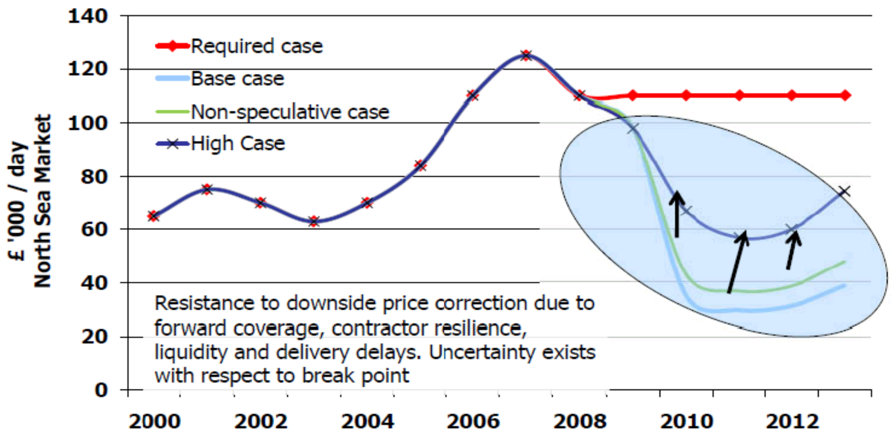


- In Asia, we continue to see OSV demand in Australia (to support the offshore LNG developments), Indonesia (Chevron and independent Murphy Oil looking large AHTS and PSVs) and Malaysia (higher E&P activity, driven by Petronas and partners).
- Deepwater demand stablized in 2009 and is now at higher level than before.
- Ratio of OSV to rigs expected to fall to 2.9 in 2012 vs 3.0 in 2010/2011, we expect demand to pick up in 2012 when the OSV growth dampens and more rig units enter the market.

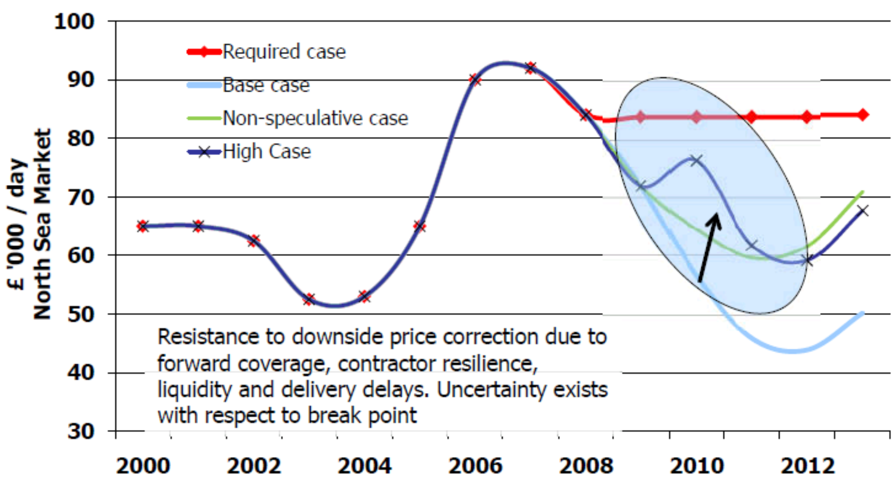
Source: ODS-Petrodata, DnB NOR Markets, Nov ’11,; Strategic Offshore Research, Global Sunsea Market to 2013

Improving longer-term rates outlook

DSV rates in 4 scenarios



LAYSV rates in 4 scenarios



Source: Strategic Offshore Research, Global Sunsea Market to 2013

- Rates weakened further in 2009 although this was supported by forward coverage & commitments.
- Increasing utilization becomes more important than high rates to maintain cashflow.
- A 30% increase in demand is required to lift rates to previous peak levels though in the medium term, there will continue to be weakening of rates.

Subsea Business Strategy

Market Forces

- ***High exposure to the spot market***
- ***Quality assets being used below full capability***
- ***Capacity to improve the rates by 5-10%***

Subsea Strategy

2011

- Improve utilization
- Improve soft systems
- Pragmatically take revenue

2012

- Increase added value services
- Reduce overhead costs
- Reduce charters

2013

- Leverage key clients
- Expand services
- Capture more value

3. Subsea Business Review

Steve Davey

Executive Director

Subsea Key Highlights

- Slow recovery in demand still 2% off peak.
- All the forecasted demand increase will come from Asia and Middle East.
- Improving backlog on vessel utilization with services included work.
- Global sales team in place and work in progress to improve poor market network.
- Increase in bids outstanding, in particular direct bid opportunities in Middle East and Africa.

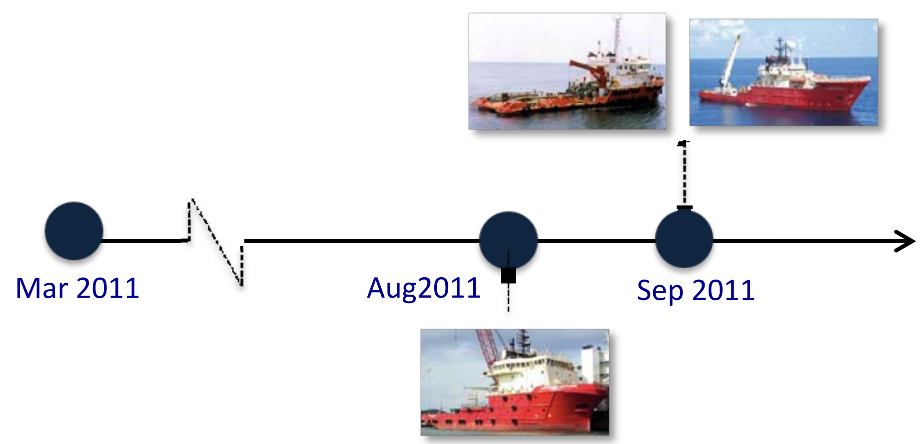
Subsea Tender Update

The bids in progress is valued at over $ 1,089M [1]

Contract negotiations for over $60M worth of work

Backlog currently at about $ 40M

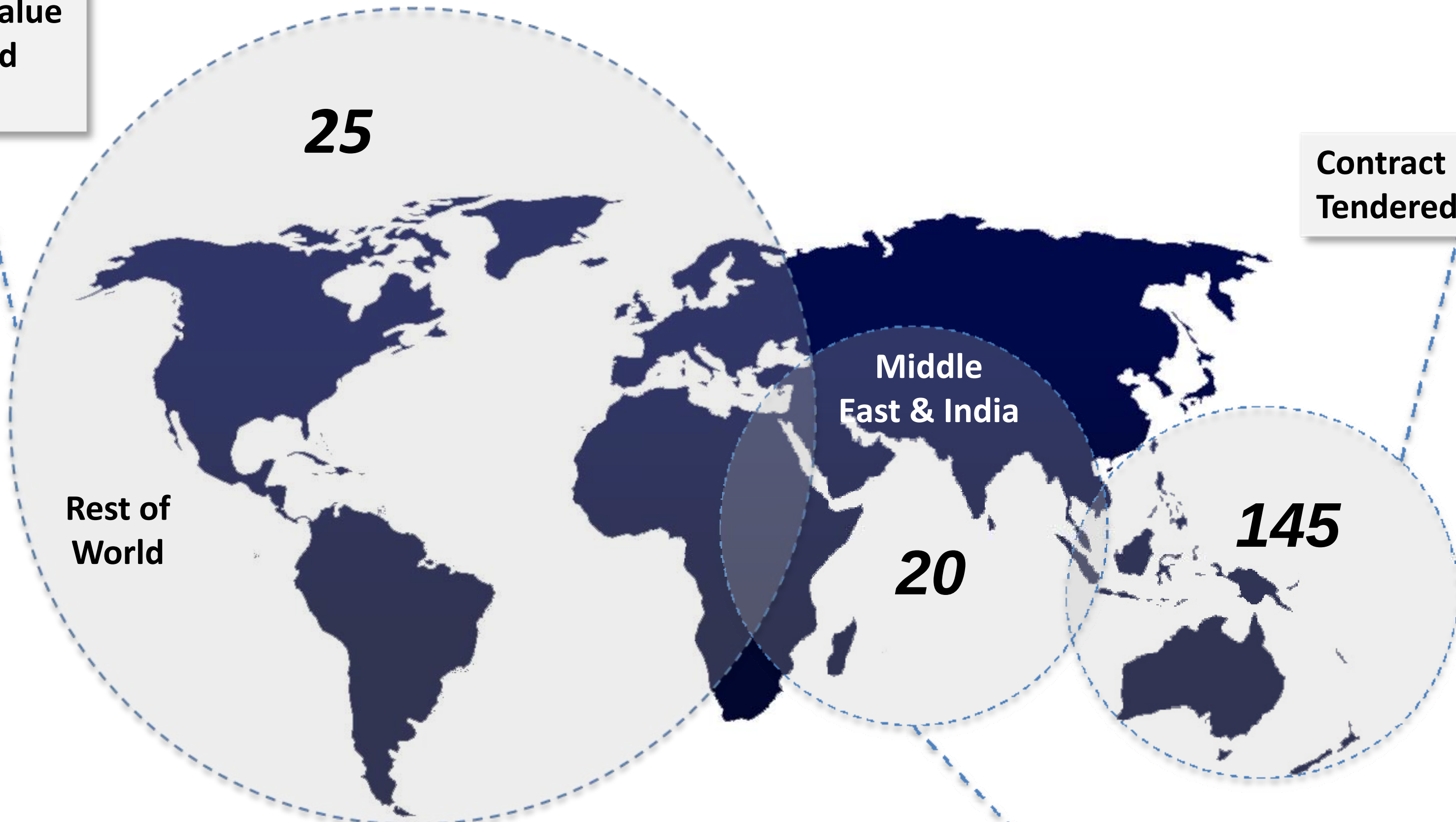
- ***Bids in progress increased by $464M (74%) from last quarter***
- ***Backlog increased by $15M (60%) from last quarter***
- ***Mermaid Commander, Sapphire and Performer have contracts for most of remaining of FY***



[1] As of 1 Feb2011

Subsea Tender Update (…cont')

Contract Value Tendered $381M



Contract Value Tendered $416M

Asia Pacific including SE Asia

Contract Value Tendered $520M

The bids in progress is valued at over $ 1,089M [1]

No. of tenders

[1] As of 1 Feb2011

4. Drilling Business Review

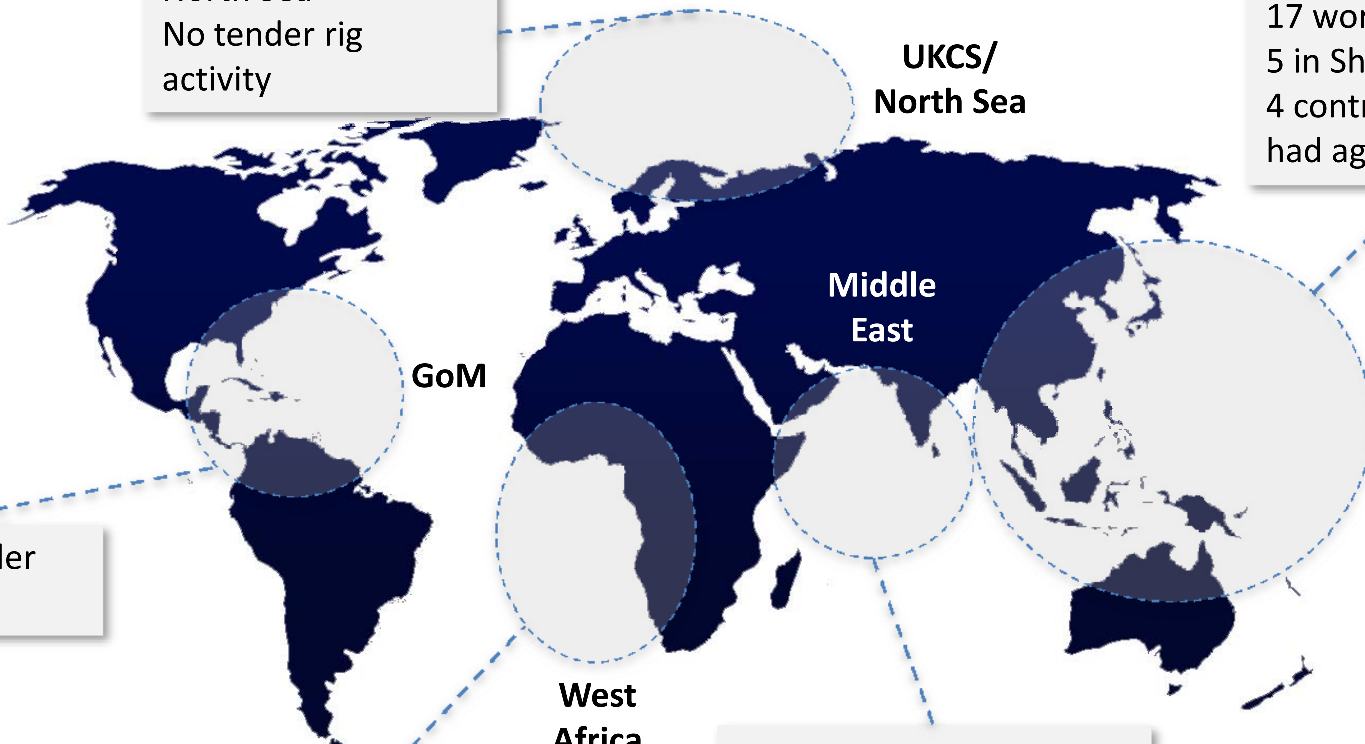
Steve Lenz

Executive Director, Mermaid Drilling Limited

Tender Market

North Sea
No tender rig activity

22 tender rigs
17 working
5 in Shipyard or idle,
4 contracts in 2010 had age limits



GOM – No tender rig activity

No tender rig activity

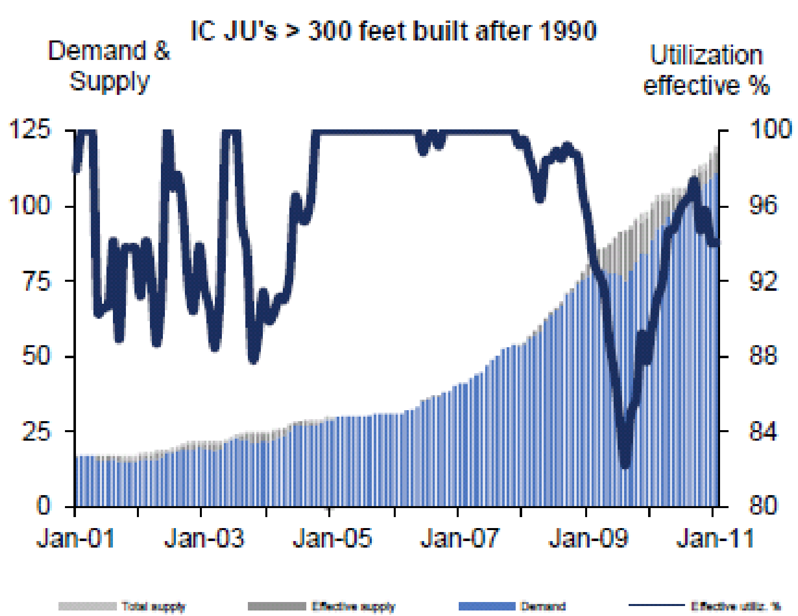
6 tender rigs.
3 working
3 Ready stacked
1 returned to Asia

Tender rigs primarily work in two regions only, and the market is dominated by one player

New vs. Old Jack-up Utilization

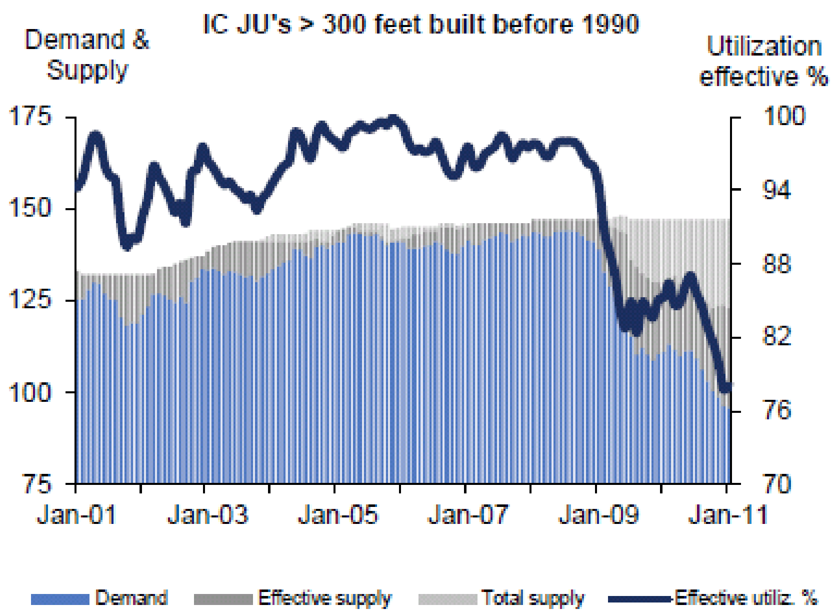
New vs. old jackup utilization

New jackup utilization



- Utilization for new rigs (less than 10yrs old) bottomed out October 2009
- Current 94% utilization healthy for dayrates – new rigs entering the market replaces old units if not incremental demand is present

Old jackups utilization

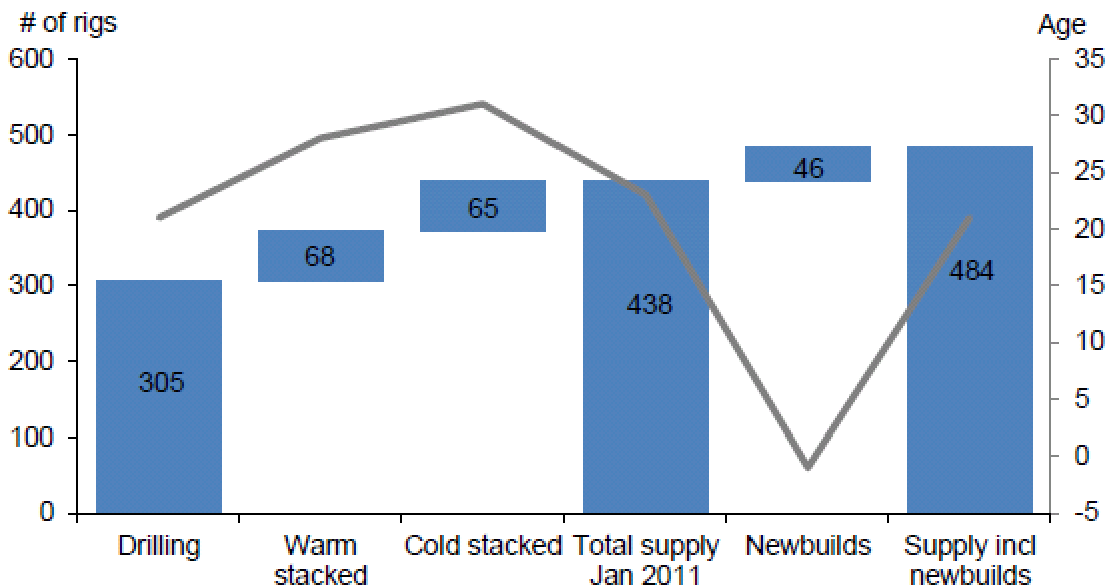


- Utilization for older jackups have not recovered since financial crisis started
- Incremental demand for older units can pick up, especially if call-on-Opec increases
- However, demand from oil companies have shifted towards newer equipment in general

Source: Pareto Research, ODS-Petrodata

Supply/Demand in the Jack-Up Market (10 years)

Total supply January 2011 (incl. age profile)



2008-2020E supply demand balance

Year	Effective supply*	Demand	Defecit (-), surplus (+)
August 2008.	411	391	20
2011	373	330	43
2015E	258	400	-142
2020E	164	400	-236

* Effective supply adjustments:

2011 (ex. cold stacked)

2015 (incl. new builds, ex. 2011 cold/w arm stacked and 94 oldest w orking units)

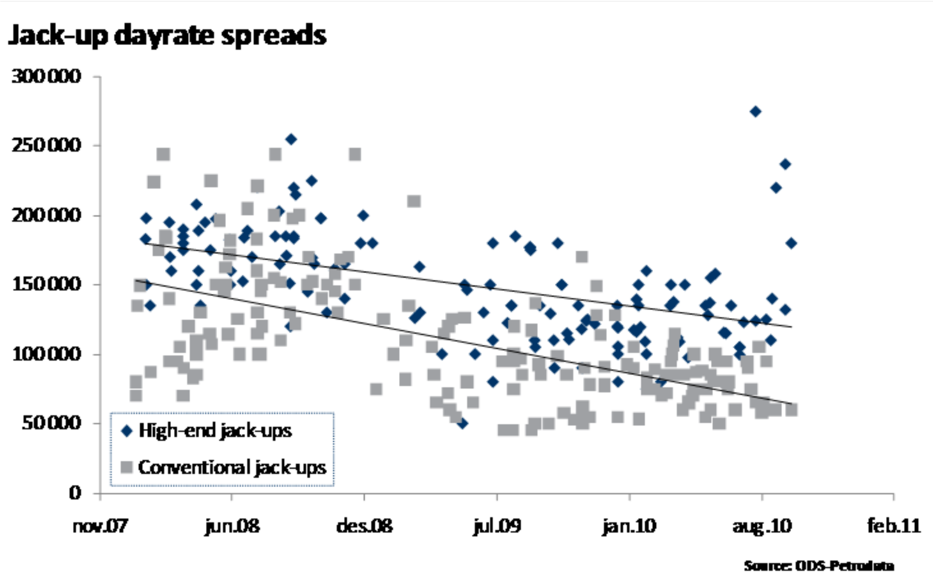
2020 (incl. new builds, ex. all the older untis)

Source: Pareto Research

- *68 cold stacked jack-ups projected to never enter the market again. Another ~170 jack-ups projected to be obsolete in 2015. Rest of the 1980 built jack-ups will be inactive units in 2020.*
- *Clear trend that new rigs will get work and replace older units as oil companies prefer newer assets.*

150-200 new jack-up rigs needed by 2020

Increasing Spreads for Jack-Up Day-Rates



Dayrate Overview

	YE 2010 Estimate	Current $'/day	-6 mnths. $'/day	-1 year $'/day
High Spec JU 1)	125	120	135	150
250 feet JU USGoM	45	45	45	60
5G harsh 2)	450	525	525	550
5G International 3)	450	500	510	550
3G Norway 4)	325	350	350	450
Standard semis UK	250	250	250	350

1) 300 feet+ IC jack-ups less than 5 yrs old
2) Includes Norway, UK and Canada, limited number of units currently working in this segment
3) High spec. 5th gen. International (USGoM, West Africa etc.)
4) Rates for 4th Gen units ~$/day 50' higher

Spread in day-rates and values due to :

1. *More efficient conventional drilling from newer units*
2. *Inability of vintage jackups to handle high pressure wells*
3. *Deck capacity larger on new units – positive for deep wells and wells far from shore (reduced supply vessel costs)*
4. *Safety for employees, in addition to comfort*

Increasing spreads for Jack-up day rates with higher spec rigs achieving 150-160' $/day

Source: Pareto Research, ODS-Petrodata

Drilling Operations Update

MTR-1

Enroute to SE Asia

Status: Waiting next contract award

Client: NA

MTR-2

Location: Indonesia

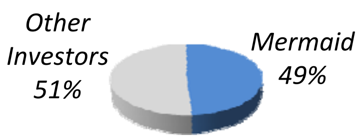
Status: Active in drilling operations

Client: Chevron Indonesia

- *MTR-1: Reached settlement with CUDD Pressure Control for USD3 mil. Actively marketing the unit as accommodation and/or construction support in Middle East & as tender drilling rig in SE Asia. Due for Classification Society Hull inspection for 2011.*

- *MTR-2: Contracted with Chevron (Indonesia) until March 2011. In process of tendering for further work in SE Asia to follow on from Chevron contract. MTR-2 is due for Hull Inspection in 2011 & could be off-contract for a planned period 7-10 days to complete all classification society inspections & certification.*

Asia Offshore Drilling Update



11.11.10
PP successfully completed, Mermaid allocated 49% for ~USD49 mn in AOD

01.12.10
AOD signs construction contracts with Singapore Keppel FELS for 2 jack-up rigs + 2 options

8.12.10
Strike Steel at Keppel FELS for "Hull-B320"

22.02.11
Strike Steel at Keppel FELS for "Hull-B321"

01.12.12
Delivery of first jack-up rig

01.03.13
Delivery of second jack-up rig

Strike steel for 'Hull-B320' and 'Hull-B321' successfully carried out at Keppel FELS on 8 December 2010 and 22 February 2011 respectively.

Asia Offshore Drilling Update (…con’t)

- Marketing trips for these two rigs have been taken to Australia, Malaysia, and the Middle East.

- 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.

- Started the Oslo Axess listing process for AOD. Targeting to submit the listing application by the end of March 2011.

- AOD has successfully recruited two experienced independent directors, Ms. Annette Jumstad and Mr. Rolf Johan Ringdal, to the Board of Directors.

- Mr. Denis Welch, has been appointed AOD’s interim CEO to establish all structures and systems in AOD and recruit necessary senior management into the company.

5. Financial Review

Sataporn Amornvorapak

Chief Financial Officer

Financial Highlights 1Q2011

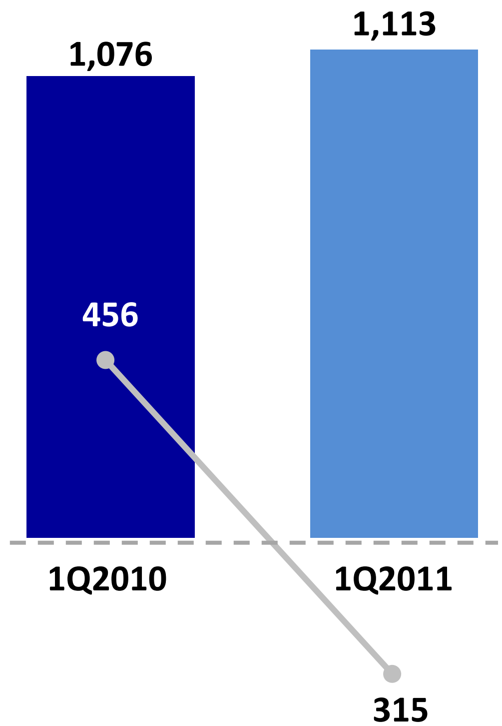
Year on Year Comparison

1Q2011Revenue (in THB millions)

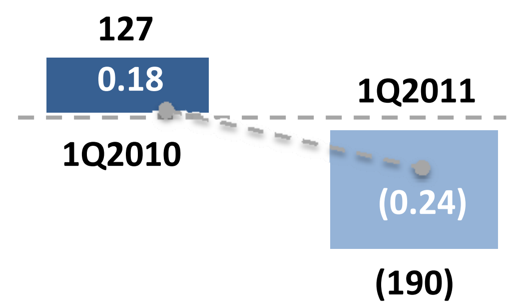
Operating Cash Flow
(in THB millions)

1Q2011 Net Profit (Loss) (in THB millions)

Basic and Diluted EPS



Revenue Growth/Decline
& Operating Cash Flow



Net Profit (Loss) Growth/Decline
& Basic and Diluted EPS

Not to scale. For illustrative purpose only

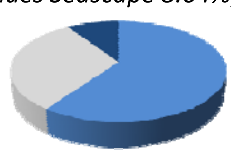
1Q2011 Sector Breakdown

2010 / 2011

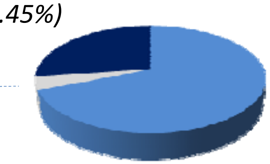
	Description	Service Income	Operating Profit/Loss	Operating Margin	Utilization Rate
Subsea Services	Inspection, repair and maintenance; Infrastructure installation; Deepwater ROV support; Emergency call out services; Salvage	673.7 / 774.9	*80.1* / *(133.0)*	*11.9%* / *(17.2%)*	*45.8%* / *51.2%*
Drilling Services	Floating rigs, Accommodation rigs	263.0 / 266.8	*36.4* / *46.8*	*13.8%* / *17.5%*	*49.9%* / *63.6%*

FY2010

Revenue Breakdown



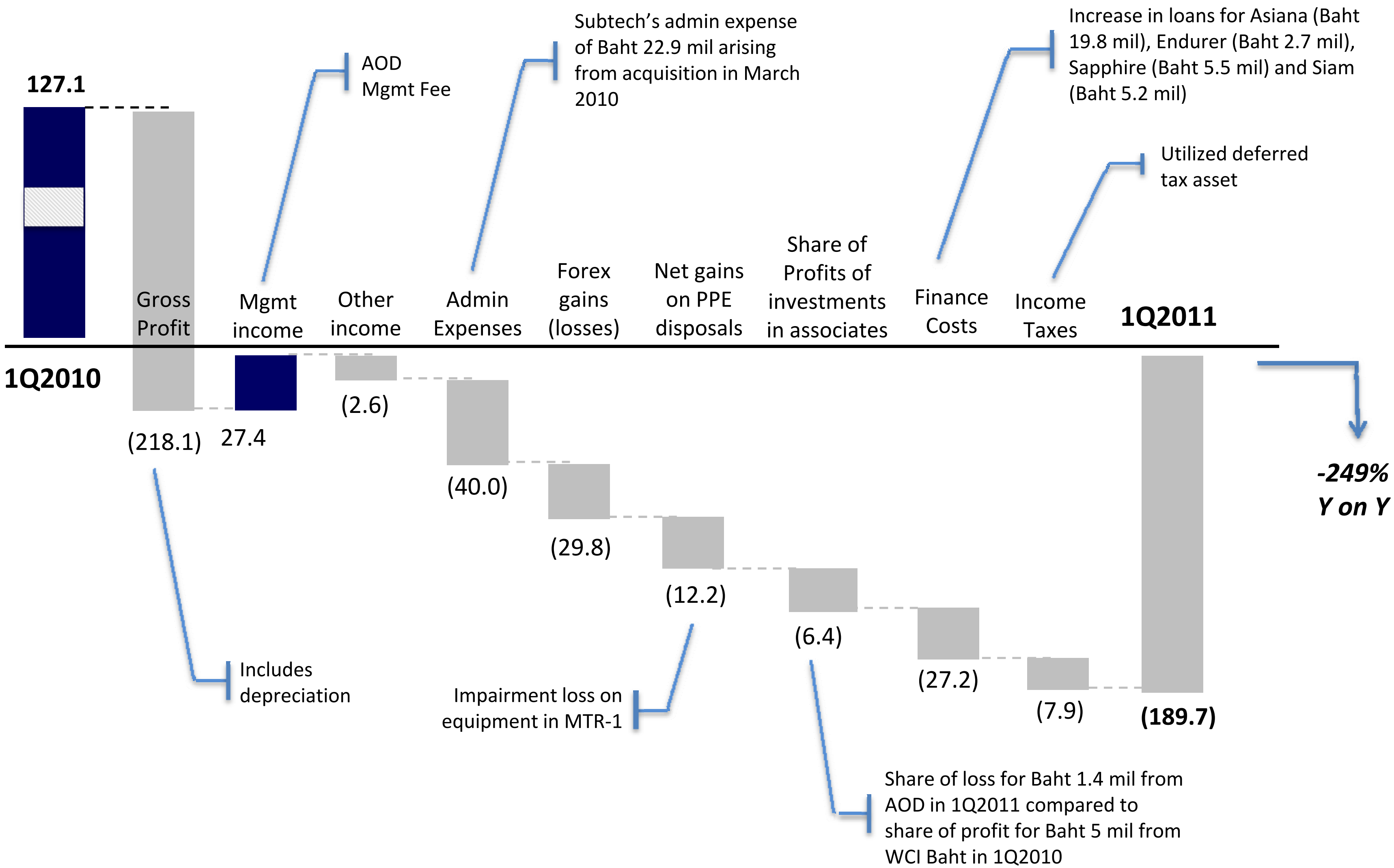
Operating Loss Breakdown



All units in THB millions

1Q2011 Profits & Losses

All units in THB millions



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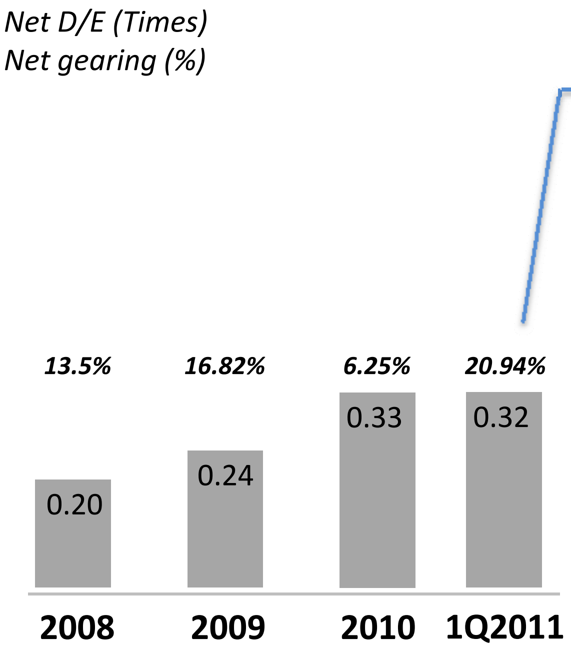
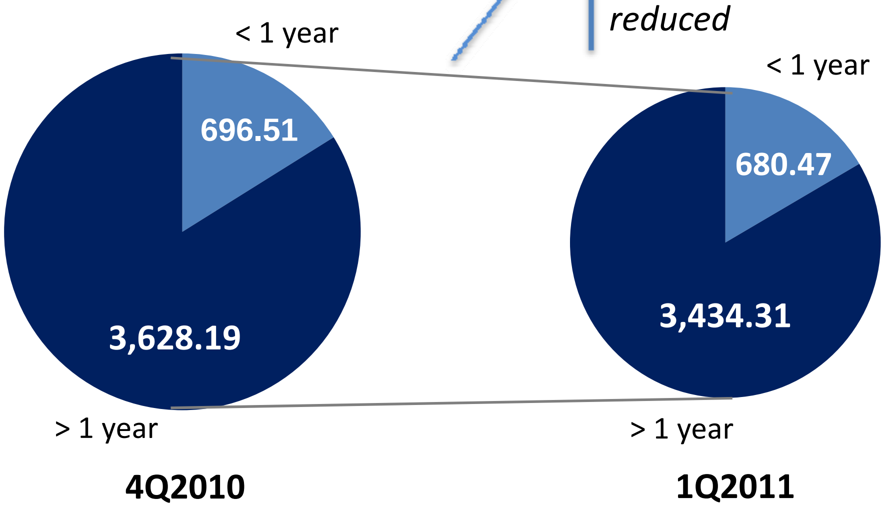
Debt structure

Low D/E ratio allows financial flexibility



Loan Maturity
Units in THB millions

Total loans outstanding has reduced



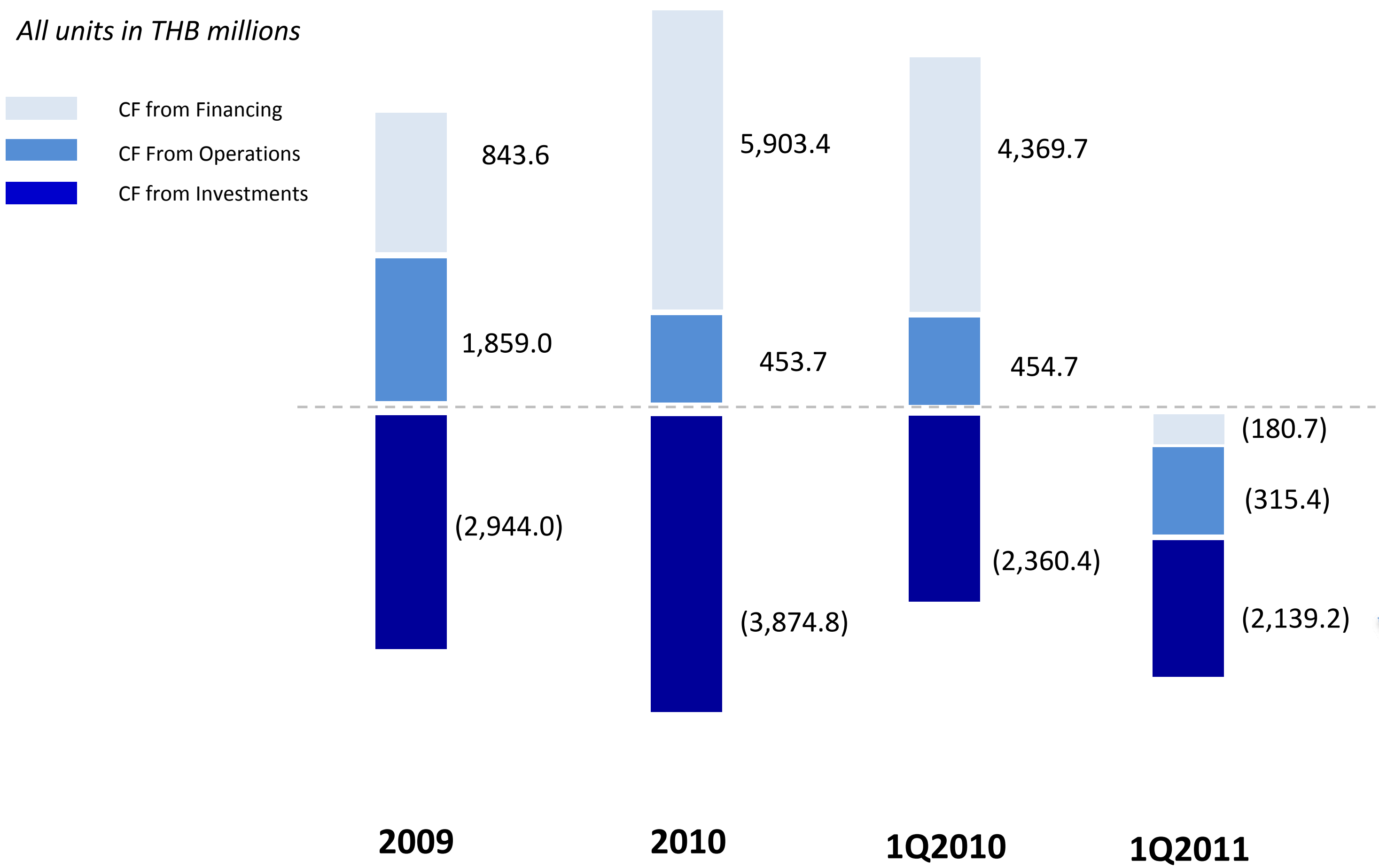
Repayment amount	Loan Repayment Schedule (USD Million)								
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	16.9	21.7	17.5	16.9	12.4	12.1	8.6	26.1	3.7

Not to scale. For illustrative purpose only

Cash flow

	2009	2010	1Q2010	1Q2011
Cash & Cash Equivalents	***1,450.5***	***3,742.9***	***3,926.8***	***1,065.2***
Short-Term Investments (fixed deposits)	*334.2*	*606.3*	*332.2*	*1,198.4*

All units in THB millions



FD has increased. Total cash in hand of ~USD 70mil

Subscription for 49% of PP in AOD

Not to scale. For illustrative purpose only

6. Questions & Answers