



ASIA OFFSHORE DRILLING

Company Presentation

April 2011



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Table of contents

1. Asia Offshore Drilling Ltd.

2. Construction Contract & Yard

3. Market Outlook

4. Key Financials

Company overview

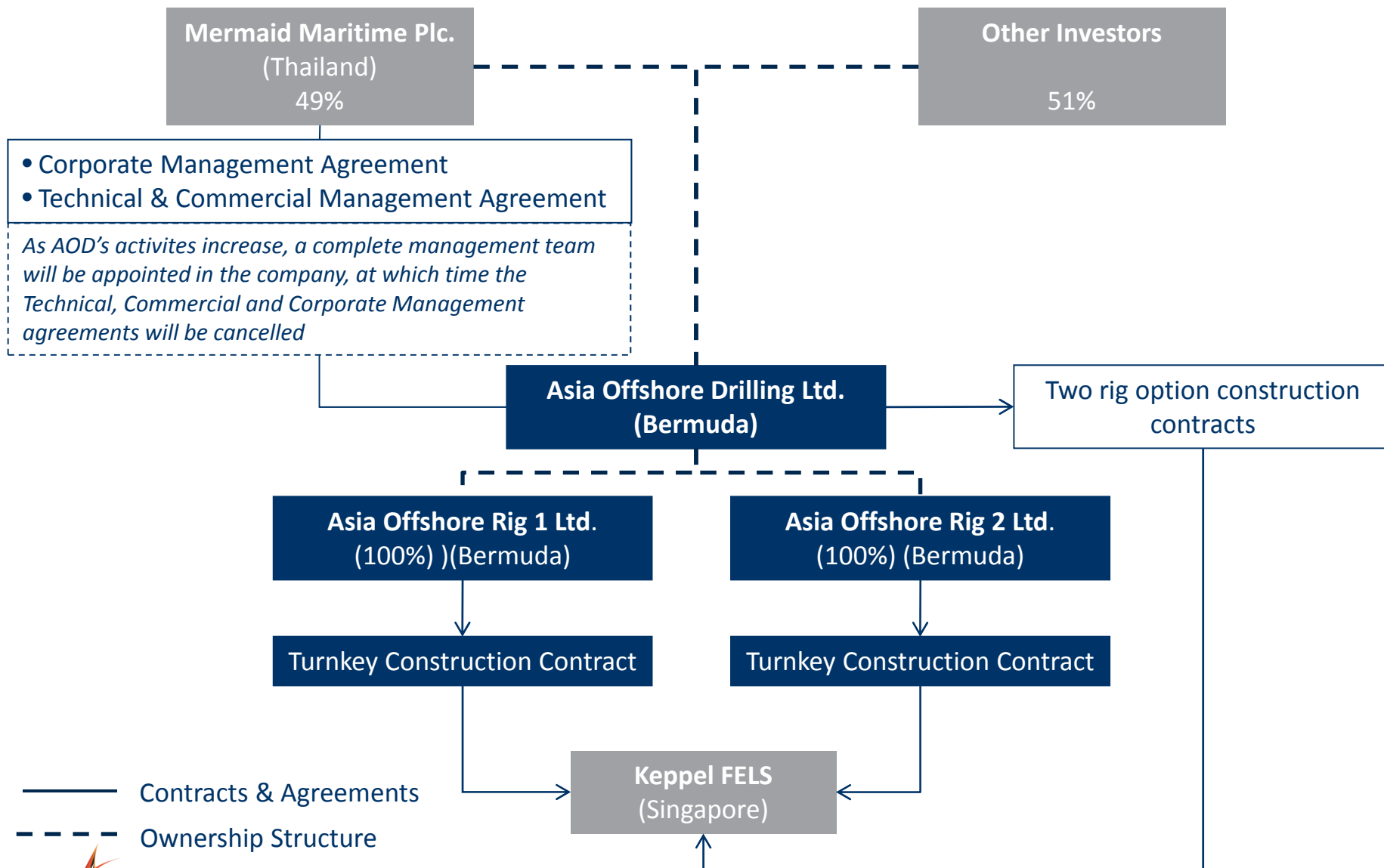
- Pure play high-specification jack-up rig company
- Firm order for 2 Mod V – B Class jack-up rigs from Keppel FELS in Singapore
- Fixed priced options for two additional units with same specifications
- Attractive price and delivery schedule compared to current market environment
- Technical, Commercial & Corporate Management agreements with Mermaid Maritime Plc ("Mermaid") to ensure successful start-up
- Business plan calls for Mermaid's drilling management and systems to be transferred into AOD in the near future
 - Long track record of project execution in the Asia-Pacific region
- Strong founder/sponsor
 - AOD will leverage off Mermaid's long-standing relationships with national and international oil companies
- Fully financed until delivery
- Targeting listing on Oslo Axess by June 2011



Company history

- AOD was established as a Bermuda registered company by Mermaid on 29 October 2010
- AOD has two Mod V-B Class jack-up rigs under construction at Keppel FELS at a turnkey contract price of USD 177 million for each rig with deliveries scheduled for December 2012 and March 2013
 - AOD has 2 additional rig options at the same yard with exercise dates at the end of June 2011 and September 2011 at fixed purchase prices of USD 184 million and USD 187 million, respectively
- In November 2010, AOD raised USD 100 million to finance the down payment of the first two rigs and project management costs through delivery through a private placement conducted in Asia, Europe, and the US
- Steel cutting commenced on 8 December 2010 and 22 February 2011 for the two rigs under construction
- AOD is currently owned 49% by Mermaid
- On December 2, 2010, AOD shares were registered on the Norwegian OTC market
- Market capitalization based on the latest share price of NOK 30 is approximately NOK 600 million

Company structure



Mermaid Maritime at a glance



27

Years since
Mermaid's
establishment



5

regions in
which
Mermaid
operates



500

skilled workers,
crews, technicians
and service
providers

SUBSEA BUSINESS



8

subsea
vessels



4

saturation diving
systems



14

remotely
operated vehicles



USD 220 mil

mkt cap listed in SGX

DRILLING BUSINESS



2

Tender
drilling rigs

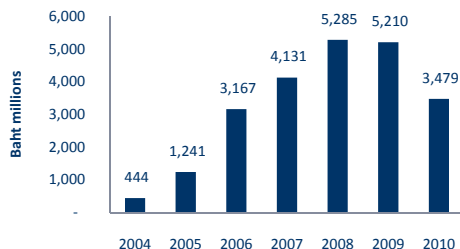


2

high-spec
jack-ups*

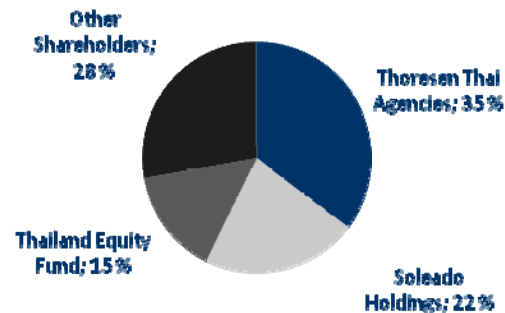


* 49% ownership through AOD



USD 115 mil

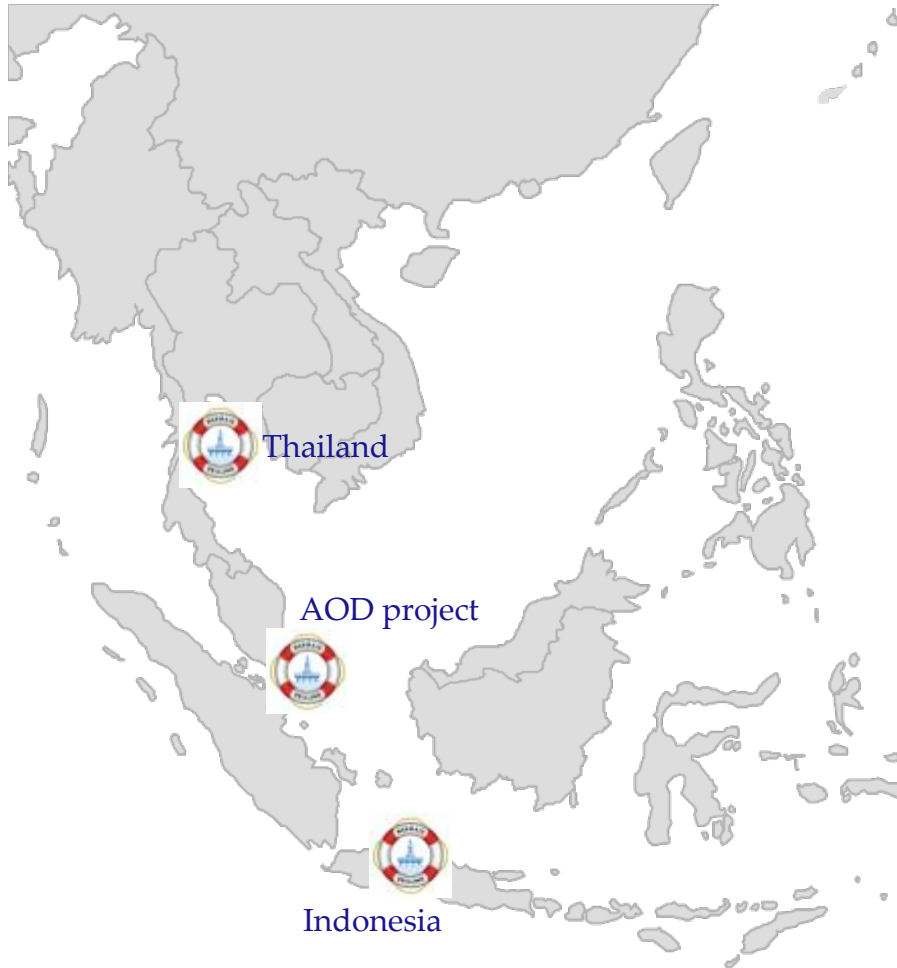
revenue in FY2010



57%

Owned by one of
Thailand's largest
listed transport
companies

Mermaid Drilling at a glance



- *Established in 2005 to own and operate offshore drilling rigs*
- *Close client working relationships with oil majors*
- *Efficient operations within budget & utilization targets*
- *Highly experienced and capable international management and drilling team across different drilling asset classes*
- *Employs over 150 onshore and offshore personnel*
- *Achieved the Chevron CHESM "A" rating, the highest award given to contractors by Chevron with utilisation rate at 99.99% in 2010*

Key management



Denis W. Welch , Interim CEO

Naval Architecture Graduate from Newcastle University

- Started career at UK shipbuilder, Swan Hunter, as a Naval Architect before joining A&P Appledore
- Joined civil engineering company, Cleveland Bridge & Engineering, as Deputy Managing Director responsible for manufacturing and commercial functions
- 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 systems
- Elected member of ABS



Sataporn Amornvorapak, Interim CFO

MBA, Kasetsart University

- Started career at PricewaterhouseCoopers ABAS Ltd. in Bangkok
- Internal Audit Manager and Secretary of Audit Committee from July 2003 to September 2005 and Accounting Manager from October 2005 to January 2007 at Thoresen Thai Agencies Public Company Limited ("TTA"), controlling shareholder of Mermaid
- Joined Mermaid in February 2007 as senior finance and accounting manager and appointed Chief Financial Officer in September 2008
- Certified Public Accountant ("CPA") in Thailand



Howard Woon, Interim Head of Investor Relations

BEng (Civil), NTU Singapore

- Started career at Keppel FELS as Management Trainee
- Spent 4 years in Latin America as Project Executive with Keppel Energy overseeing development of IPP with total installed capacity of 63MW (Nicaragua) and 180MW (Brazil)
- Founding MD of ShareInvestor (Thailand), largest online investor relations network in Thailand
- External investor relations consultant to the Stock Exchange of Thailand
- Head, Investor Relations for Mermaid



Mr. Stephen Gregor Lenz, Interim Head of Operations

- Executive Director of Mermaid Drilling Ltd. since July 2008
- Started his career with ODE in 1977 on land rigs in Australasia
- Moved offshore to Sedco in 1980 as Operations Manager with Transocean responsible for 5 offshore rigs in Thailand and Vietnam
- 2 years as Rig Manager with Apexindo in Balikpapan
- Joined Songa Offshore, responsible for bringing the Songa Venus into Australia and setting up base and operations there. Later brought Songa Mercur into Australia and was promoted to Australian Country Manager

Board of directors

M.L. Chandchutha Chandratat: (Non-Independent Director)

M.L. Chandchutha Chandratat is the Executive Chairman of Mermaid and President and Chief Executive Officer of TTA, Mermaid's controlling shareholder. Prior to joining TTA in February 2005, he was Executive Director of Morgan Stanley Dean Witter Asia (Singapore) Pte. Ltd. from April 2002 to February 2005 and a Vice President of J.P. Morgan Securities Asia Ltd. from February 2000 to March 2002. He is also a director of TTA and numerous direct and indirect subsidiaries of TTA. He received his M.B.A. from the University of California at Berkeley in 1989 and his B.S. in Economics from the University of Minnesota in 1987. M.L. Chandchutha Chandratat is a Thai citizen.

Mr. Rolf Johan Ringdal: (Independent Director)

Mr. Ringdal is an attorney and has been a partner at Bugge, Arentz-Hansen & Rasmussen since 1987. He graduated with a Cand.jur from the University of Oslo in 1982. He was also a former Deputy District Judge in Trondenes. He is among the leading legal practitioners in Norway and provides extensive oil service, debt and equity financing, and mergers and acquisitions experience. He has served as a director on the board of several private companies over the years, including the board of Norwegian Cruise Line. Mr. Ringdal is a Norwegian citizen.

Ms. Annette Malm Justad: (Independent Director)

Ms. Malm Justad is presently Chairman of the American Shipping Company ASA (Oslo listed), a ship finance company in the Jones Act (US cabotage) market, and a board member of Petroleum Geo Services ASA (Oslo listed), a seismic company. She was formerly the Chief Executive Officer of Eitzen Maritime Services ASA (Oslo listed) from 2006 to 2010. Prior to this, she was Vice President and Head of Purchasing in Yara International ASA, Vice President and Fleet Manager in Norgas Carriers AS and held various technical and commercial positions in Norsk Hydro ASA within its fertiliser and engineering business units. She graduated with a M.Sc. in Technology Management from the Norwegian Technical University ("NTNU") and Massachusetts Institute of Technology (MIT) in 1995 and with a M.Sc. in Chemical Engineering from NTNU in 1983. She provides, among other expertise, industrial experience to manage and develop companies. Ms. Malm Justad is a Norwegian citizen.

As Mr. Ringdal and Ms. Justad are independent of management, business associates and major shareholders, the board fulfills the independence requirements of Section 2.3.6 of the Oslo Axess Listing Rules.

Table of contents

1. Asia Offshore Drilling Ltd.

2. Construction Contract & Yard

3. Market Outlook

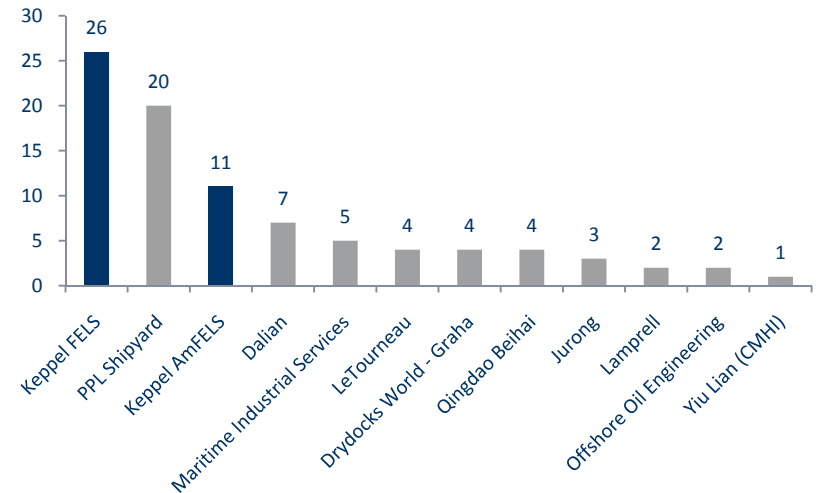
4. Key Financials

Keppel FELS

Yard description

- Keppel FELS is part of Keppel Corporation, which is listed on the SGX with a market cap of USD 16,078 million, and majority owned by the Singapore sovereign wealth fund, Temasek Holdings
- The yard is a global leader in rig design, construction and repair, ship repair and conversion, and specialized shipbuilding
- It is the world's leading jack-up rig construction yard with an excellent track record, having built over 40% of the world's jack-ups in the last 10 years
- 24 Mod V – B Class jack-up units built by Keppel in Singapore since 2006
 - 0 late deliveries
 - 14 ahead of schedule
- Keppel O&M has secured USD 3.7 billion worth of new orders YTD 2011

Track record



The Yard



The Mod V – B Class jack-up design for AOD

Key specifications	Geographical application
<ul style="list-style-type: none"> Water depth (ft) 350 Drilling depth (ft) 30,000 Leg length (ft) 463 Hull size (L/B/D) (ft) 234/208/25 Cantilever reach (ft) 70 Maximum Variable Load (MT) 3,356 Accommodation 150 Hook Load (kips) 1,500 Triangular truss type legs with reinforced steel structural footings ABS will be appointed as classification society 	<ul style="list-style-type: none"> Designed for year round operations in areas of <ul style="list-style-type: none"> – Gulf of Mexico – Indian Ocean – Southern North Sea – Middle East – Offshore India – Offshore Australia – Offshore New Zealand – South East Asia

Preferred design by major drilling companies

aban Aban Offshore Limited



COSL



Seadrill

Turnkey contract from Keppel FELS

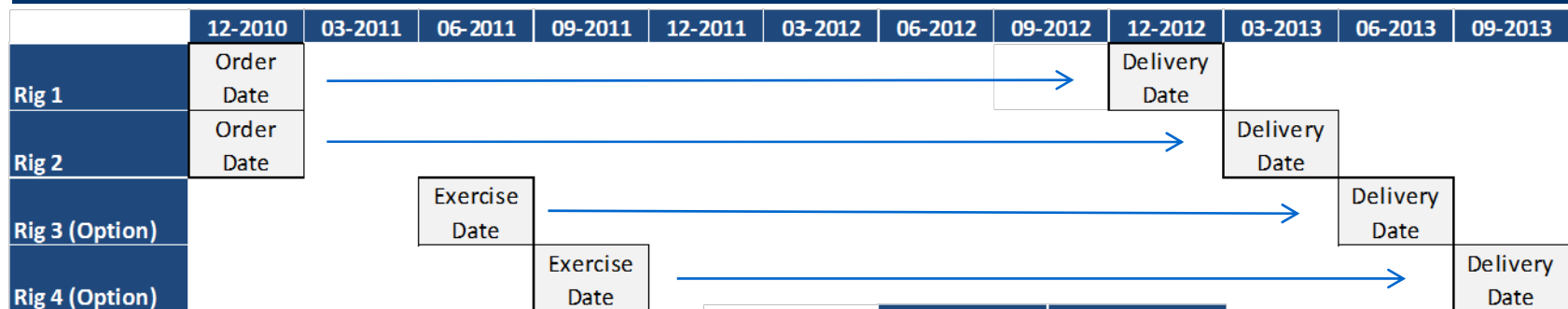
Construction Contract

- Turnkey contract for delivery of two jack-up rigs in December 2012 and March 2013
 - 20% down payment and 80% on delivery
- Keppel FELS to undertake complete EPC responsibility
 - Third party vendors chosen by Keppel FELS from vendor list accepted by Mermaid
- Standard warranty periods to apply for rig and third party equipment

Options

- Independent options for two additional units each at fixed price
 - Same EPC contract and payment terms as first two rigs
- Options expire at the end of June 2011 and September 2011, respectively

Timeline



	Price	Delivery Date
Rig 1	\$ 177.0	12/2012
Rig 2	177.0	03/2013
Rig 3 (Option)	184.0	06/2013
Rig 4 (Option)	187.0	09/2013

Construction progress of existing units

Construction Status

- Steel cutting for the first rig started on 8 December 2010, and progress is on schedule
- Steel cutting for the second rig commenced on 22 February 2011, and progress is on schedule
- All critical equipment for both jack-up rigs was ordered at the same time, on schedule for delivery by the end of 2011, including:
 - Drilling packages
 - Jacking systems
 - Generators
 - Cranes



Construction progress of existing units

Force Majeure

- The 11th of March earthquake and tsunami, caused damages to Japan's infrastructure including steel manufacture facilities
- Steel materials for Legs' rack, cord, bracings pipes, jackcase, cantilever, drillfloor and cantilever claws has been procured from various facilities across Japan
- Keppel FELS have declared force majeure and are still looking at steel material deliveries out of Japan
- Keppel FELS has not made changes to the expected construction schedule for the AOD jack-ups

Actual construction is ahead of planned schedule for both existing units

Construction progress

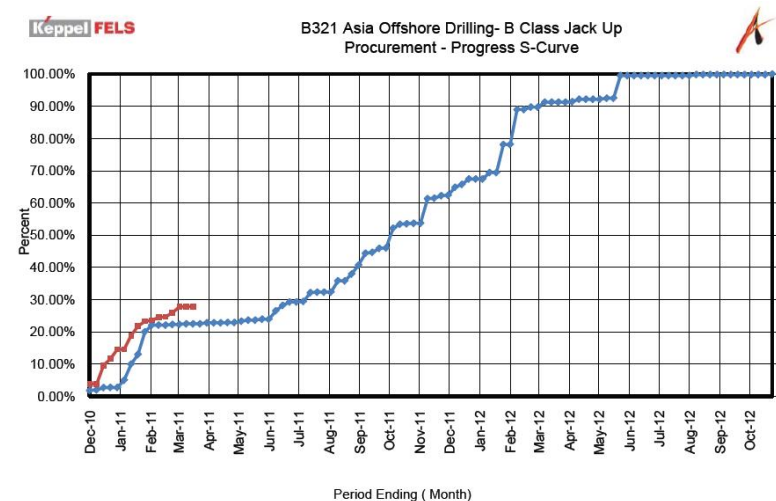
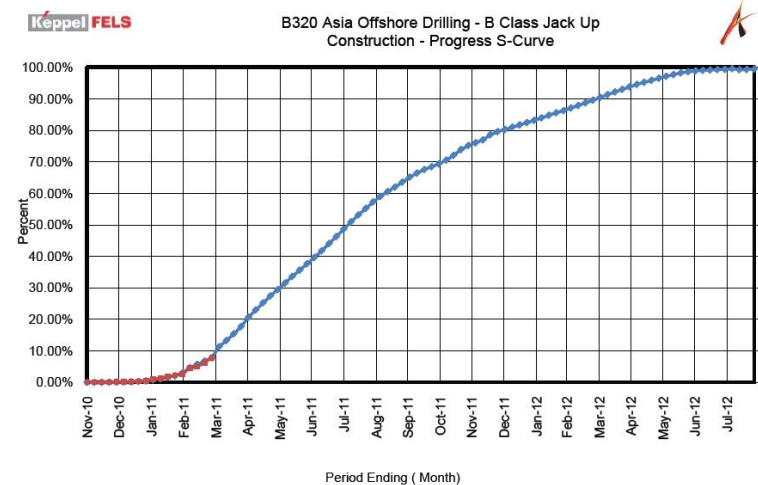


Table of contents

1. Asia Offshore Drilling Ltd.
2. Construction Contract & Yard
3. Market Outlook
4. Key Financials

Strong market fundamentals

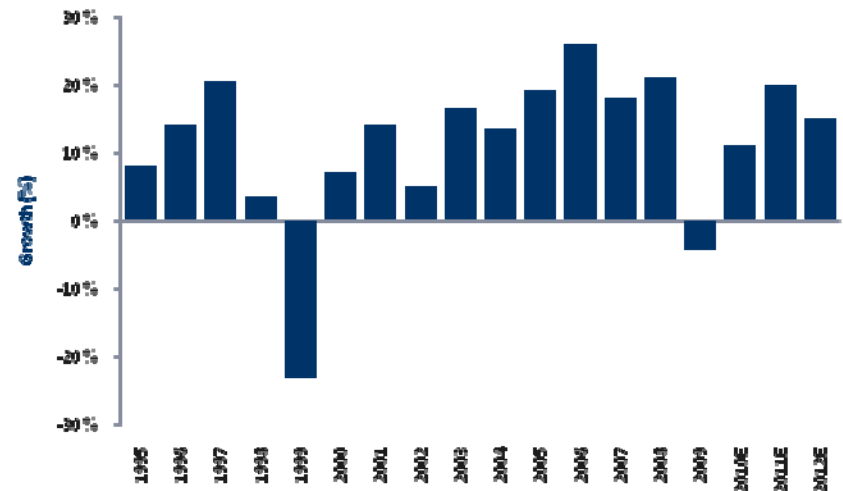
Global Oil Spare Production Capacity (MB)



A tight oil market is expected over next three years

- Global oil demand growth in 2010 was at a strong 2.9 mb/d increase, driven by emerging markets (Excluding 2004, such growth has not been recorded since 1976)
- Emerging markets are set to continue to drive oil demand, leading to tight oil market fundamentals going forward

Annual Growth in E&P Spending

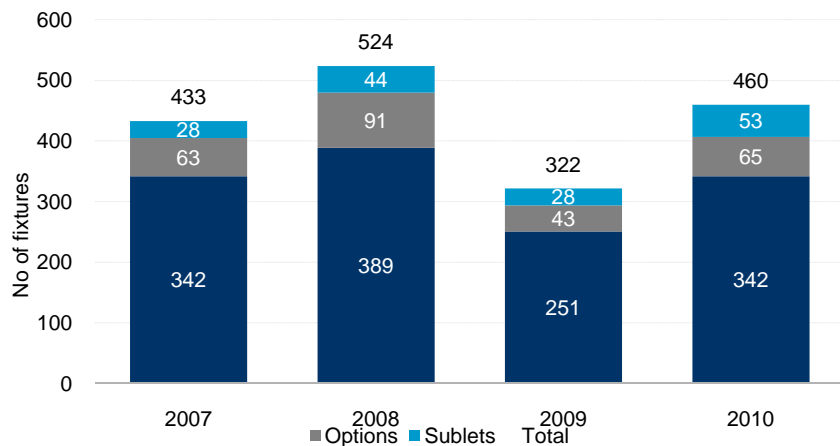


E&P spending is expected to increase in the coming years

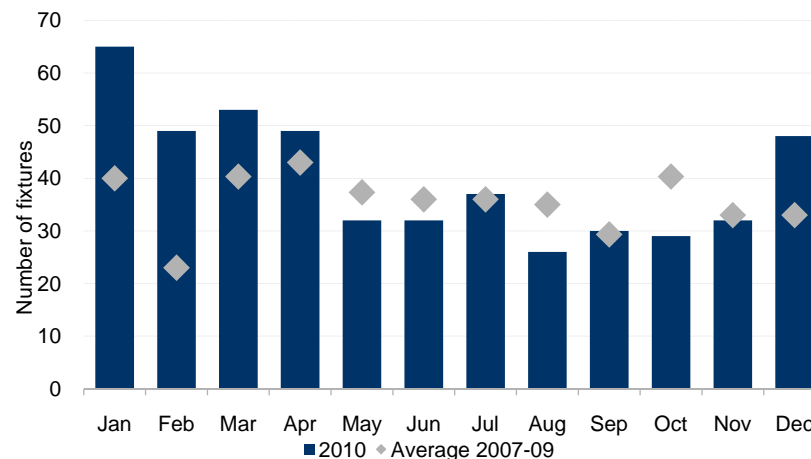
- As a consequence of the tight fundamentals, oil companies are left with no other option other than to increase E&P spending
- Global E&P spending for both international and national oil companies in 2011 is estimated to be 23% above the peak in 2008, representing a CAGR of 10% over the past 15 years
- Driven by the tight fundamentals, and subsequent high oil prices, oil and gas companies are likely to continue to increase their upstream investments over the coming years

Strong recovery of the jack-up market

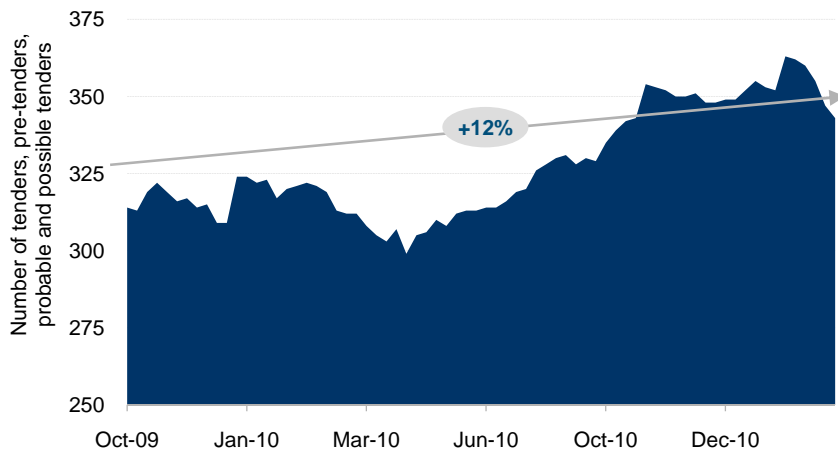
Jack-ups: Number of Fixtures



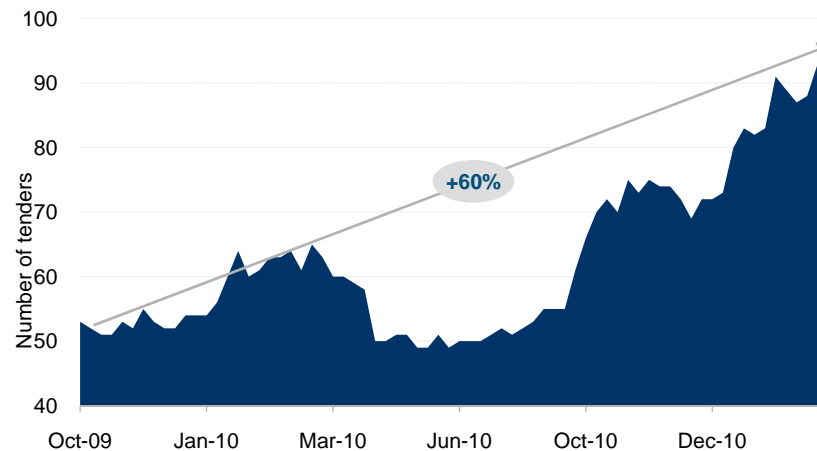
Jack-ups: Number of Fixtures in 2010



Jack-ups: Total Number of Enquiries



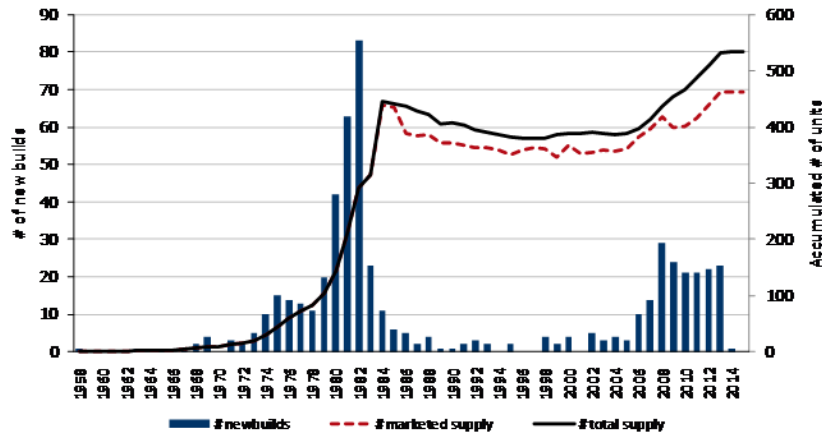
Jack-ups: Number of Tenders



Ageing global jack-up fleet

Jack-ups Newbuilds and Supply

Jack-ups newbuilds and supply

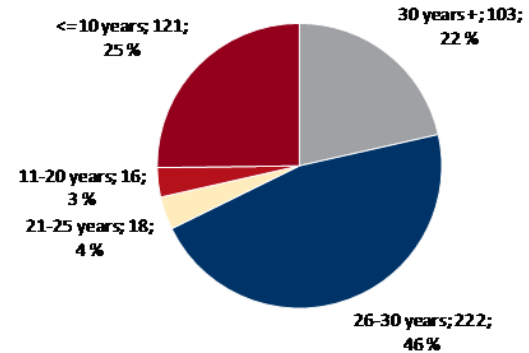


Source: ODS-Petrodata, RS Platou Markets

- The global jack-up fleet has an average age of 24 years (YE 2010), with 22% of the fleet older than 30 years
- By the end of 2012, the average age will be 24 years with 40% older than 30 years – despite 44 newbuilds being delivered
- US contractors have by far the oldest fleet, as they have previously been unwilling to place orders without long-term contracts supporting the construction

Global Jack-up Fleet Age Distribution (End 2010)

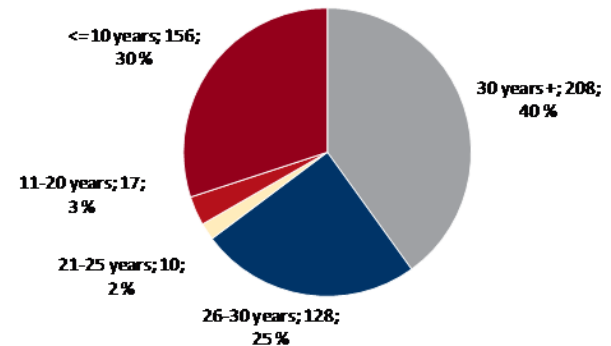
Global jack-up fleet age distribution (end 2010)



Source: ODS-Petrodata, RS Platou Markets

Global Jack-up Fleet Age Distribution (End 2012)

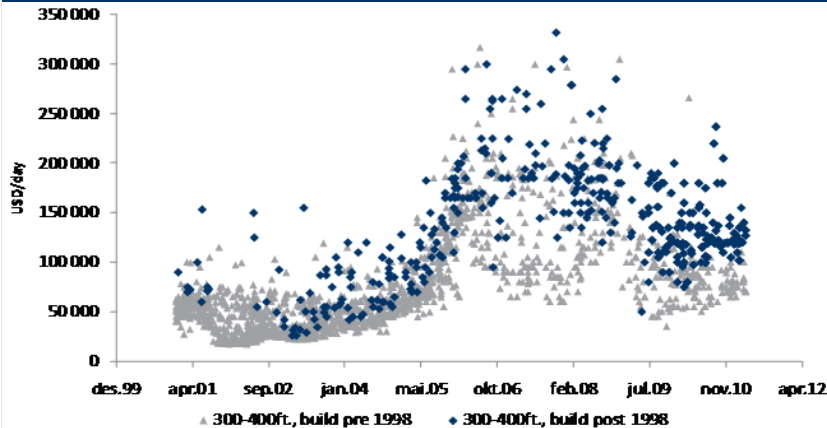
Global jack-up fleet age distribution (end 2012)



Source: ODS-Petrodata, RS Platou Markets

Bifurcation in the jack-up market is now a fact

Utilization by Jack-up Class

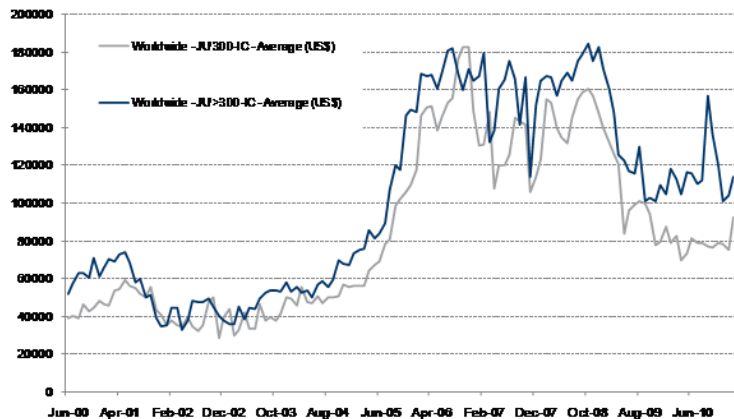


Bifurcation

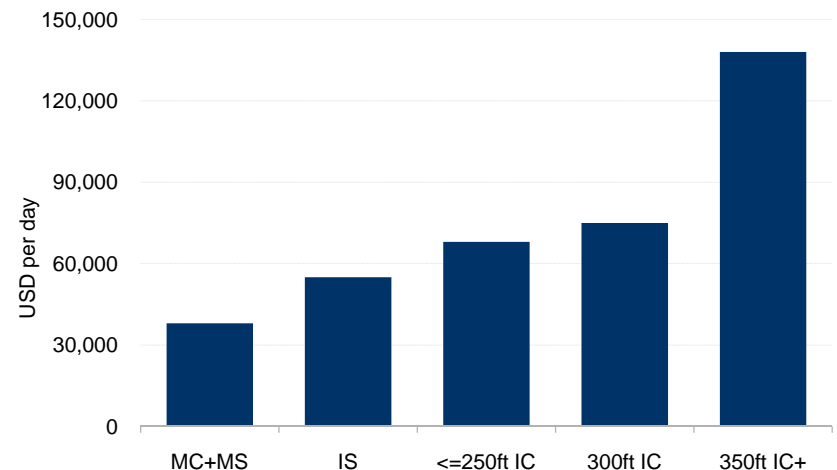
- Evidence for dayrates reflecting capabilities of the rigs
- Operators are already securing 2011 capacity, longer-term contracts starting to return
- Day rates and asset values for premium equipment expected to continue to increase into 2011

Average Dayrates: High-end vs Standard Jack-ups

Global jack-up dayrates

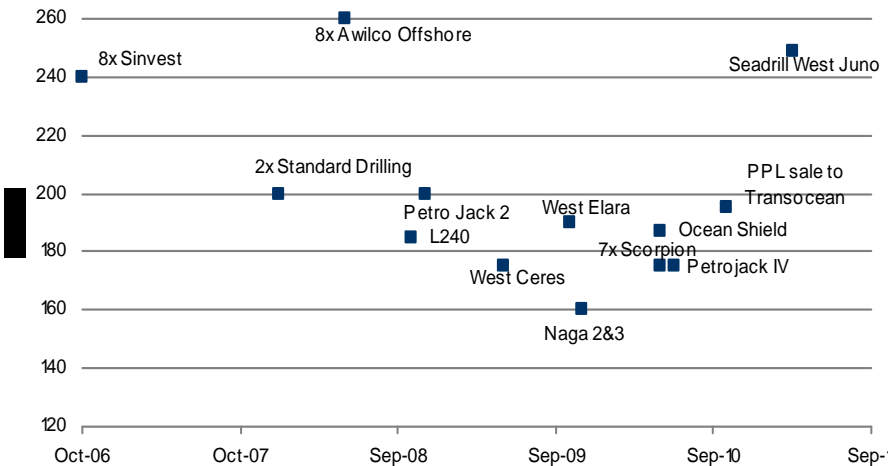


Average Fixtures by Jack-up Class (Last 6 Months)



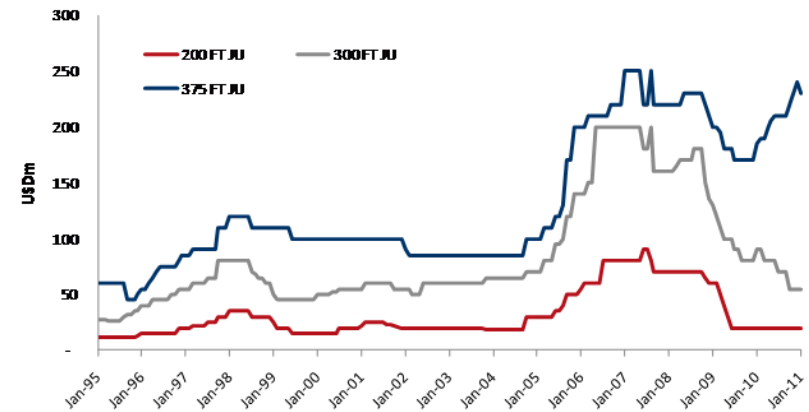
Newbuild prices and secondhand values have made a turning point

Precedent Transactions of Jack-ups (EV per Rig)



2nd Hand Values for Jack-ups

Jack-up 2nd hand values



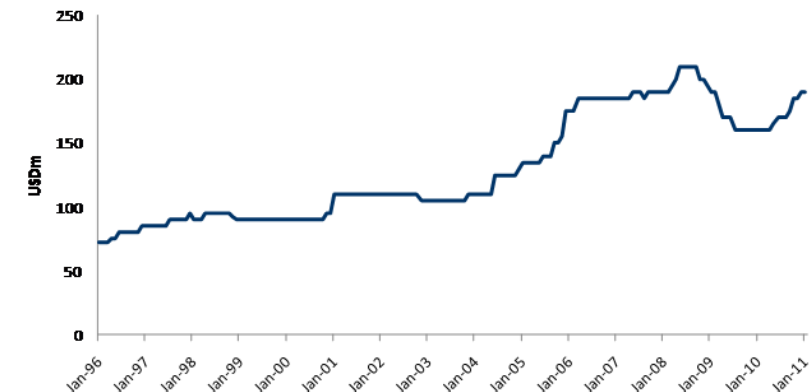
Source: RS Platou Offshore

Newbuild Prices – Jack-ups ⁽¹⁾

- Newbuild quotes are starting to increase driven by higher 2nd hand values
- Transactions confirms high end jack-up 2nd hand values are moving up
 - Seadrill's sale of West Juno for US\$248.5 million
- Payment terms for newbuild rigs are no longer as back loaded as before

Newbuild prices for Jack-ups

(ex spares and financing costs)



Source: RS Platou Offshore

Table of contents

1. Asia Offshore Drilling Ltd.
2. Construction Contract & Yard
3. Market Outlook
4. Key Financials

Balance sheet

As of December 31, 2010 (unaudited)

	Consolidated	Company
	US Dollars	US Dollars
Assets		
Non-current Assets		
Rigs and equipment – under construction	71,350,926	-
Investments in subsidiaries – cost method	-	200
Total non-current assets	71,350,926	200
Current Assets		
Other receivables	16,855,729	16,855,729
Amounts due from related parties	100	70,800,100
Cash and cash equivalents	8,717,888	8,717,888
Total current assets	25,572,717	96,373,717
Total assets	96,924,643	96,373,917
Equity and liabilities		
Total equity	95,797,997	95,855,362
Current Liabilities		
Other payables	124,430	124,430
Amounts due to related parties	999,016	392,525
Accrued expenses	3,200	1,600
Total current liabilities	1,126,646	518,555
Total liabilities	1,126,646	518,555
Total equity and liabilities	96,924,643	96,373,917

Project cost and financing

Sources and Uses of funds

Uses of funds (USD in Millions)	Rig 1	Rig 2	Rig 3	Rig 4	Rig 1 & 2	Rig 3 & 4	Total	Per Rig
Yard contract & drilling equipment	177.0	177.0	184.0	187.0	354.0	371.0	725.0	181.3
SG&A and spares*	1.5	1.5	1.5	1.5	3.0	3.0	6.0	1.5
Project management	7.0	7.0	7.0	7.0	14.0	14.0	28.0	7.0
Fees and expenses	2.0	2.0	[Tbd]	[Tbd]	4.0	[Tbd]	[Tbd]	[Tbd]
Working capital	4.1	4.1	[Tbd]	[Tbd]	8.2	[Tbd]	[Tbd]	[Tbd]
Total uses of funds	191.6	191.6	[Tbd]	[Tbd]	383.2	[Tbd]	[Tbd]	[Tbd]

Sources of funds (USD in Millions)	Rig 1	Rig 2	Rig 3	Rig 4	Rig 1 & 2	Rig 3 & 4	Total	Per Rig
Equity	50.0	50.0	[Tbd]	[Tbd]	100.0	[Tbd]	[Tbd]	[Tbd]
Unfunded	141.6	141.6	147.2	149.6	283.2	296.8	580.0	145.0
Total sources of funds	191.6	191.6	[Tbd]	[Tbd]	383.2	[Tbd]	[Tbd]	[Tbd]

*Additional USD 8.5m per rig in ex-yard costs expected at delivery.

- Average turnkey contract price of USD 181 million per rig including option rigs
 - Including enhanced equipment, larger accommodation, BOP, diverters and interest compensation to yard
- Payment terms – 20% down payment and 80% on delivery
- Mobilization costs assumed to be reimbursed from client
- AOD is fully funded until delivery for the 2 firm rig orders
- Upon delivery, AOD will finance the final payment via bank debt and bonds

Appendix

The Management Agreements

- **Company Management Agreement**

- Mermaid will provide management and administrative services, such as accounting and human resources to AOD for USD 2,000 per day (lump sum of USD 300,000 was pre-paid to start up AOD)
- Mermaid's experienced management will oversee the corporate management of AOD

- **Technical and Commercial Management Agreements**

- Mermaid will perform complete pre-delivery services for both rigs at USD 7 million per rig payable in equal monthly installments over a period of 2 years
- Operational readiness services is set at USD 3,000 per day from June 2012 to September 2012
- Post delivery services for the first rig is set at USD 12,000 per day, which will be reduced to USD 10,000 per day when the second rig is delivered

The Management Agreements are entered into on an arms length basis, and corresponds with prevailing market rates. The agreements will expire once permanent management is installed in AOD, most of whom will come from Mermaid Drilling.