



Mermaid Maritime Public Company Limited

บริษัท เมอร์เมต มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
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MERMAID'S ASSOCIATE ASIA OFFSHORE DRILLING LIMITED SIGNS CONSTRUCTION CONTRACT FOR THIRD NEWBUILD JACK- UP RIG WITH KEPPEL FELS LIMITED AND TRANSFERS TECHNICAL AND COMMERCIAL MANAGEMENT TO SEADRILL LIMITED

Signed construction contract for third rig

Mermaid Maritime Public Company Limited ("Mermaid") refers to its previous announcement dated 3 July 2011 regarding the exercise by Asia Offshore Drilling Limited ("AOD" or "Company") for the first fixed priced option for the construction of the Company's third high specification jack-up rig ("Rig") with Keppel FELS Limited ("Keppel").

Mermaid is pleased to announce that AOD has entered into a construction contract with Keppel through its special purpose wholly owned subsidiary Asia Offshore Rig 3 Limited ("AOR3") (the "Construction Contract") for the construction of the third Rig, following the exercise of its first option on 30 June 2011. The total purchase price payable by AOR3 to Keppel is USD 184 million. Payment terms require an initial 20% down payment and the remaining 80% to be paid upon delivery from Keppel. The general terms of the Construction Contract are substantially on the same terms as the construction contracts in respect of the first two Rigs. The delivery to AOD is expected to be by the third calendar quarter of 2013 (Q3/2013).

The Construction Contract will come into effect upon payment of the initial 20% down payment, expected to take place on or about 14 July 2011. The down-payment will be financed through the proceeds from the recent private placement of new shares by AOD ("Private Placement"). Deadline for payment in the Private Placement closed yesterday, 11 July 2011. Payment has been made by Mermaid Maritime Public Company Limited ("Mermaid") and Seadrill Limited ("Seadrill"), who will become equal shareholders in the Company, each holding a strategic 33.75% equity stake.

Subject to the Construction Contract coming into effect, AOD will have a total of three Rigs under construction with Keppel, with deliveries scheduled for the fourth calendar quarter of 2012 (Q4/2012), second calendar quarter of 2013 (Q2/2013) and third calendar quarter of 2013 (Q3/2013) respectively. AOD also has a second fixed-price option with Keppel for the construction of a fourth Rig, exercisable by 30 September 2011.



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Transfer of technical and commercial management agreement from Mermaid to Seadrill Deepwater Units Pte. Ltd.

Reference is made to Mermaid's previous announcement dated 1 July 2011 regarding the completion of the Private Placement and the strategic investment by Seadrill. As mentioned in the announcement of 1 July 2011, it had been resolved that Seadrill would be responsible for the construction supervision, project management and commercial management of all of AOD's Rigs.

Mermaid wishes to announce that on 11 July 2011 Mermaid had entered into two novation agreements with Seadrill Deepwater Units Pte. Ltd. ("Seadrill Deepwater"), a Seadrill Limited subsidiary with a fleet of 14 rigs presently under its construction management, for the novation of the existing technical and commercial management agreements from Mermaid to Seadrill Deepwater. The novation agreements will become effective upon payment of a transfer fee of USD 2 million by AOD to Mermaid, expected to take place on or about 14 July 2011.

Subject to the novation agreements being effective, Seadrill Deepwater will assume the responsibility of Mermaid under the management agreements regarding construction supervision, project management and commercial management for the first two Rigs. In addition, AOR3 and Seadrill Deepwater have entered into a technical and commercial management agreement for the third Rig to be constructed at Keppel in accordance with the Construction Agreement. The said management agreement for AOR3 is made on materially the same terms as the terms of the novation of the existing management agreements from Mermaid to Seadrill Deepwater.

As part of the consideration of USD 2 million payable to Mermaid above, Mermaid and Seadrill have also in principle agreed on a transfer of the corporate management responsibility for AOD from Mermaid to Seadrill, currently being performed by Mermaid. The details of the transfer have not been finalized at this point. However, the parties are initially contemplating a transfer of support functions following the listing of AOD's shares on the Oslo Axess.

Please be informed accordingly.

Vincent Siaw
Company Secretary
12 July 2011