



3Q2011 Results Briefing

Analyst & Investor Update

16 August 2011



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Agenda



- 1. Introduction**
- 2. Focus Section: Subsea Services Outlook**
- 3. Subsea Business Review**
- 4. Drilling Business Review**
- 5. Financial Review**
- 6. Questions and Answers**



1. Introduction

Howard Woon

Head, Investor Relations

Key highlights



- Mermaid booked a net profit of approximately USD1.5 million in 3Q2011, representing a 107% improvement year-on-year
- Asia Offshore Drilling (AOD) successfully completed private placement raising USD80 million. Mermaid injected additional USD14.8 million for an additional 3.7 million shares and saw the entry of Seadrill Limited as an equal strategic partner with 33.75% share in AOD, creating a strong platform for AOD to further develop its business
- AOD exercised first of two options for 3rd high-spec KFELS MOD V jack-up rig with Keppel FELS in Singapore. Delivery for 3rd jack-up rig scheduled for September 2013
- Subsea achieved utilization of 75.3% for 3Q2011 versus 56.6% in 3Q2010 and 54.1% in 2Q2011. Utilization rates for subsea fleet continues to improve amidst a still challenging charter rate environment



Key highlights (...con't)

- The previous contract for MTR-2 ended at the end of March 2011 and was subsequently working on a contract extension. A formal extension agreement was announced on 22 July 2011 to extend the agreement for another 270 days under new and improved contract terms with Chevron Indonesia, with a potential value of USD26.5 million
- Mermaid signed a 10-year loan agreement for USD110 million with Export-Import Bank of Thailand to refinance its existing loan for two vessels, M.V. Mermaid Endurer and M.V. Mermaid Asiana
- MTR-2 achieved a milestone of two years with no loss time incident while on contract to Chevron Indonesia



2. Focus Section: Subsea Services Outlook

Bruce Saunders

Project Director, Mermaid Offshore Services

Subsea Services Overview

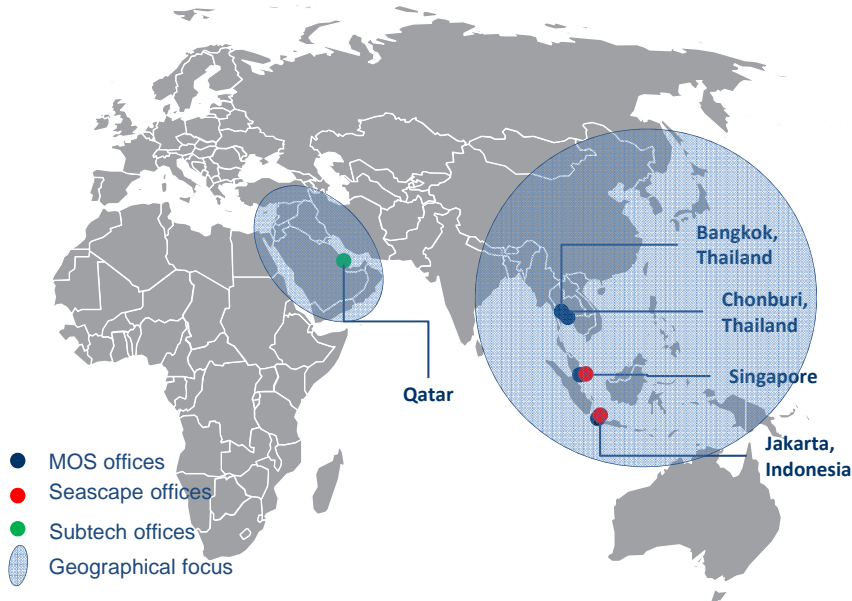


Overview

- Mermaid Offshore Services (“MOS”) provides subsea engineering services including surveying, inspection, repair and maintenance (IMR), light construction and ROV/dive support , to the offshore oil and gas industry
 - 488 employees operating in Southeast Asia and the Middle East
 - Current contract backlog exceeds USD 100 million

Geography

- Defensible positions in Gulf of Thailand, Middle East marketed through Subtech subsidiary and Indonesia supported by Seascope their surveying subsidiary



Fleet



8 subsea vessels



14 ROVs



4 saturation diving systems

Vessel name	Type	Year built	Past selected clients
Mermaid Commander	DNV Classed DP2 DSV	1987	Shell Brunei, CUEL, Global
Mermaid Endurer	DNV Classed DP2 DSV	2010	ISS, Bibby, Micoperi
Mermaid Asiana	ABS Classed DP2 DSV	2010	PT Timas, CSOTL, COOEC , CACT
Mermaid Siam	DNV Classed DP2 Construction Support Barge	2002	Total, Maersk, NPCC, Acergy, Occidental Petroleum
Mermaid Sapphire	ABS Classed DP2 ROV & Air Diving Support Vessel	2009	CUEL, PTTEP, SEIC
Mermaid Challenger	DNV Classed DP1 Anchor-handling Vessel	2008	EMAS, Mermaid Drilling, KNOC
Mermaid Performer	DNV Class Utility Vessel	1982	CUEL, Moddec, and Chevron
SS Barakuda	Utility / Survey Vessel	1982	ConocoPhillips

Key Clients



80% owned by MOS since March 2008

- Founded in 2005, Seascope has over 90 personnel employed in offices located in Singapore, Indonesia and Thailand
- Provides survey, positioning, and subsea inspection services in the Asia Pacific region
 - Surface and subsea positioning services onboard DP vessels
 - Provision of offshore construction barge/vessel support survey services
 - Performance of subsea inspection data acquisition, data management and reporting services
- Strong foothold in Indonesia, its primary target market, due to strong local presence and track record in the region
 - Seascope acts as Indonesian Representative Company for MOS
- Annual turnover in FY2010 of approximately USD 20 million
- Contractor Member of the International Marine Contractor Association (IMCA)
- In November 2010, Mermaid Supporter was transferred to PT Seascope Surveys Indonesia and renamed SS Barakuda
 - SS Barakuda will be the dedicated survey and ROV inspection vessel for the Indonesian market

Key customers



ConocoPhillips

ExxonMobil



PetroChina



PERTAMINA



bp

Hallin

PETRONAS



PremierOil



Saipem

PEARL ENERGY



SS Barakuda



Wholly owned by MOS since March 2010

- Established in 1995, with operation in Qatar
- Provides turnkey subsea support services to local and international clients:
 - Dive intervention (air & saturation)
 - Salvage operations
 - Subsea installations, repairs, inspections and maintenance
 - Subsea engineering
- Has access to about 600 offshore personnel, out of which 85 are diving professionals
- Strong foothold in the Middle East region, with a presence in the Gulf of Mexico and Far East region and expansion plans into West Africa
- Helped MOS to successfully penetrate into the Middle East and Persian Gulf region
 - Strong client relationships in the region helped to drive MOS' marketing and vessel utilization
 - Only locally incorporated diving contractor with a proven track record
 - Strong local business knowledge
- Profitable business with notable contributions to MOS
 - For FY2010, more than a third of bids submitted by MOS were through Subtech
 - Annualized turnover of USD 20 million in FY2010

Key customers



ExxonMobil

قطر للبترول
Qatar Petroleum





Key competitive advantages

Strong position in Thailand, Indonesia and the Middle East

- Parent company, Mermaid Maritime established in Thailand in 1983
- Incumbent positions in Gulf of Thailand, Middle East and Indonesia
- Long-term relationships with blue chip clients in the region

Established dive company, with access to high quality pool of professional divers

- Owns and operates three DP2 DSVs, one DP2 construction barge fitted with a saturation diving system and a pool of 14 ROVs
- IMCA compliant; provided diving services to blue chip operators in the global oil & gas industry
- Access to professional divers with an established safety record and good labor relationships

New management team put in place to drive employment and value-added service wins

- MOS management team has an average experience of over 20 years
- Recent senior team hires set to enhance commercial and project management capabilities
- Management hub to be relocated to Singapore to raise the company's profile with customers

Solid contract backlog with significant, achievable upside potential

- Current firm contract backlog of USD 100 million
- Contracts are with reputable industry players such as COOEC, CACT, CUEL, PTTEP and Chevron, in Asia Pacific and the Middle East
- Potential for repeat business from clients in this region

Willingness to explore strategic opportunities

- Immediate access to the Asian market through an established player
- Capable fleet available for future deployment in full service mode
- Ideal timing – demand for subsea services expected to strengthen through 2013



Incumbent position in key geographies

- MOS has a strong foothold in its key markets – Thailand, Indonesia, and the Middle East
- MOS can leverage on its strong presence in these three markets to win repeat business with key clients, while continuing to expanding its geographical footprint in existing markets like China, and new markets like Brazil and India

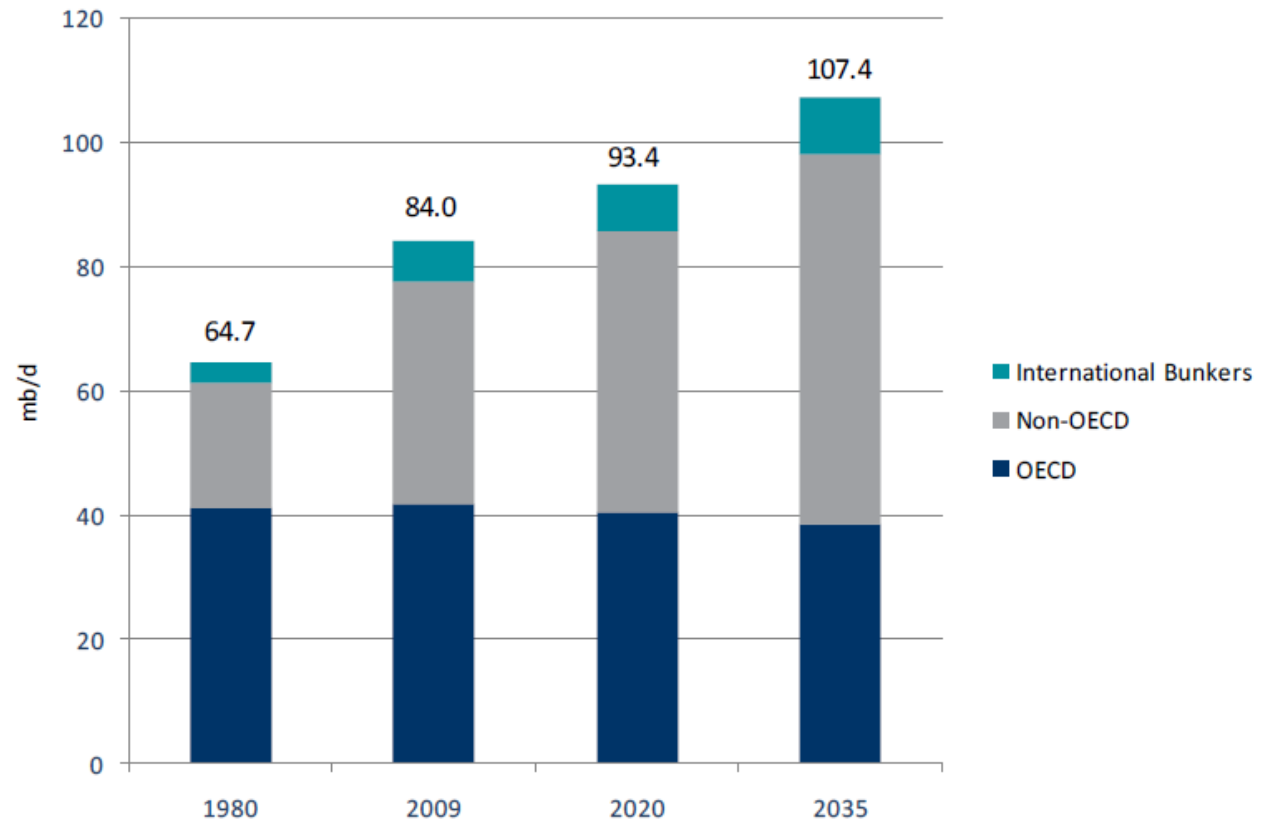
Thailand: MOS's headquarters and logistics base	Indonesia: Via subsidiary Seascope	Middle East: Via subsidiary Subtech
<ul style="list-style-type: none">• 28 years of market presence in Thailand• The logistics base in Chonburi, being in close proximity to several deep water ports, facilitates efficient mobilization of personnel and equipment• MOS has IMCA compliant diving capabilities, and was awarded the ISO9001:2008 quality management systems certification• Key clients: Chevron Thailand and CUEL, NPCC, PTTEP, and Romona	<ul style="list-style-type: none">• Seascope primarily provides hydrographic survey and positioning services in South-East Asia• Contractor Member of the International Marine Contractor Association (IMCA)• Seascope has a strong network in Indonesia, with most of its projects located in various parts of Indonesia• Key clients: ConocoPhillips Indonesia, Chevron Indonesia, PT Hallin Indonesia, and PT Timas Suplindo	<ul style="list-style-type: none">• Subtech (Qatar) is an IMCA member and ISO 9002 approved diving and subsea contractor in Qatar• Subtech is the only locally incorporated diving contractor with a proven track record, allowing MOS to successfully penetrate into the Middle East market• Key clients: Qatar Petroleum, Exxon-Mobil, Occidental, McDermott, Maersk Oil Qatar, and NPCC• Strong local business knowledge



Global oil demand is increasing

- Oil demand is projected to grow by 1% per year on average
- All the growth is expected to come from non-OECD countries
- The transport sector accounts for the majority of the increase in oil use
- As conventional oil production in non OPEC countries is expected to peak soon, most of the increase in output would need to come from OPEC countries, which hold the bulk of remaining recoverable conventional oil resources

Global oil demand



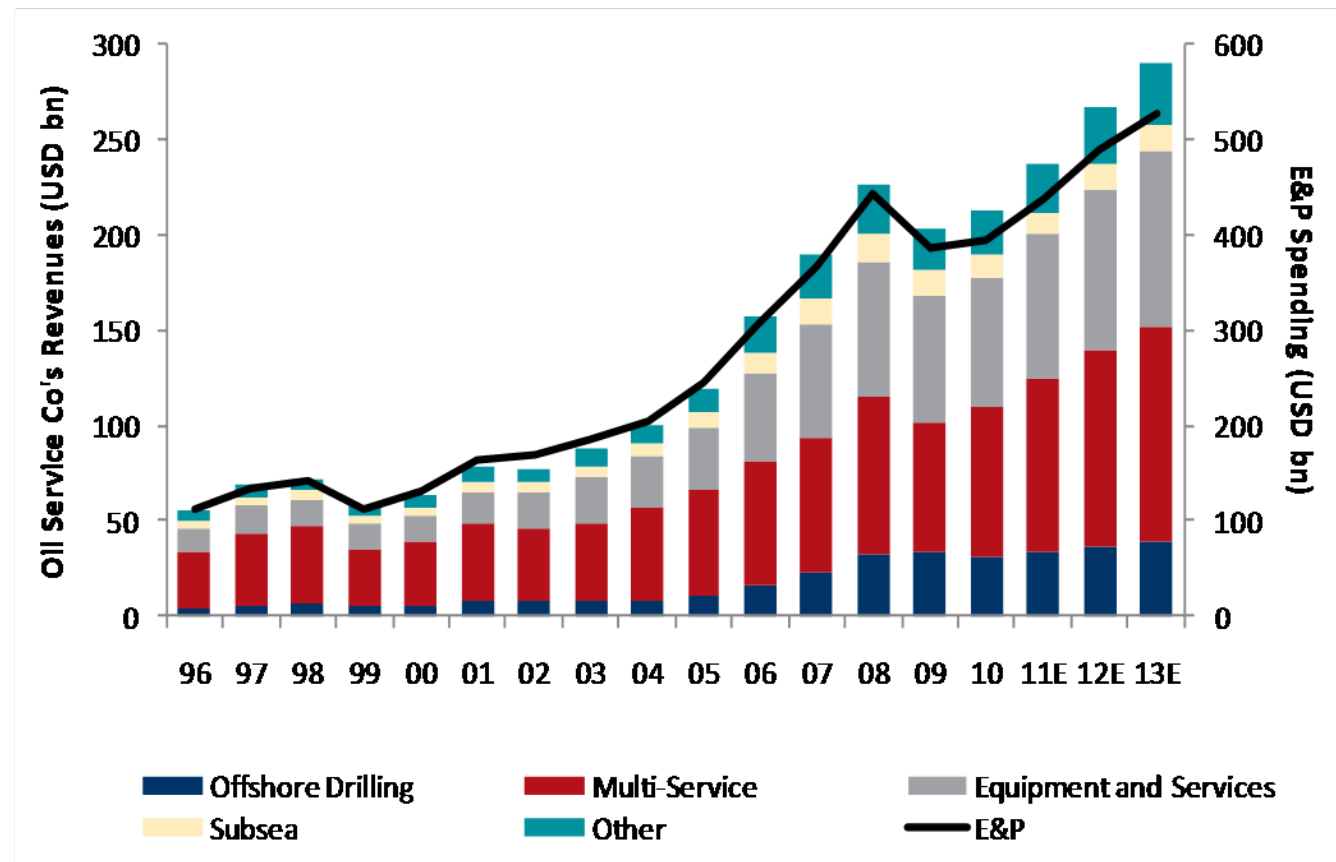
Source: Reference Scenario, World Energy Outlook 2010, International Energy Agency

Increased E&P spending driven by higher oil prices



- Strong growth in E&P spending expected the next few years
- 2008 level of E&P spending is expected to be surpassed in 2011
- Projects postponed as a consequence of the financial turmoil, has accumulated demand
- A continued price level above USD 100 per barrel is expected to be a catalyst to E&P spending

Oil service companies' revenues and E&P spending

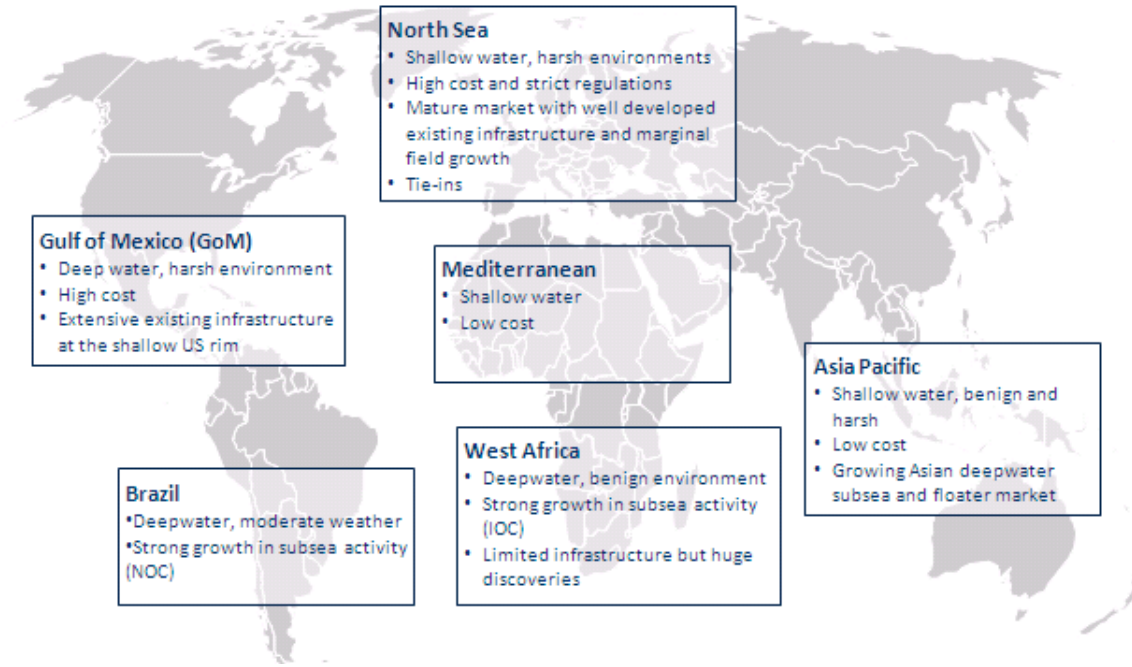


Source: Reuters, RS Platou



Strongest growth expected in the Southern hemisphere

- Strongest growth expected in Brazil, West Africa and Asia Pacific
- 11 known new offshore projects in South East Asia from 2010



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

Project	Country	Location	Operator	Award	First oil	Total reserves (mboe)	Water depth (ft)
Terang Sirasun	Indonesia	Kangean	EMP		2010E	463	650
Pagerungan Utara	Indonesia	East Java	Kangean		2010E	-	-
Te Giac Trang	Vietnam	Block 16-1 Cuu Long Basin	PetroVietnam	2010E	2011E	300	150
South Mahakam Phase 1	Indonesia	Kalimantan	Total		2012E	200	-
Malakai	Malaysia	Block G	Shell		2012E	108	1,570
Pisagan	Malaysia	Block G	Shell		2012E	56	3,280
Bangkok South	Thailand	Gulf of Thailand	Total		2012E	-	-
Gendalo-Gehem	Indonesia	Kutei Basin	Chevron	2010E	2013E	1,100	5,900
Malikai	Malaysia	Block G	Shell	2010E	2014E	108	1,570
Voi Trang	Vietnam	Block 16-1	PetroVietnam		2014E	-	-
Sunrise Ph1	Timor/Australia	Timor Leste Island	Woodside	2011E	2015E	32,268	1,310

Strong Demand for Subsea Construction Expected



Subsea construction market

Subsea tree awards

- Successful drilling of commercial discoveries will eventually lead to field development tendering
- Awards of subsea tree is a proxy of FD activity
- Increased level of subsea tree awards expected

IMR

- Installed base of subsea trees grows substantially
- Will require significant ongoing IMR work
- Expected to have a growth rate of more than 10% between 2010 and 2015

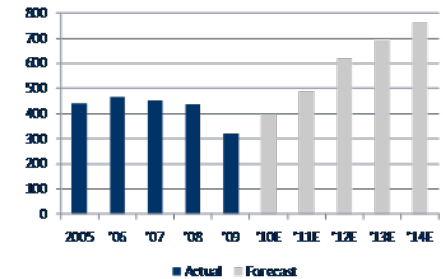
Pipelaying activity

- A field development will involve demand for pipeline installation

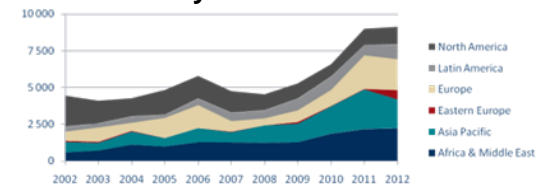
Decommissioning

- Fields ready for decommissioning is increasing in mature regions, but due to high oil prices the decommissioning has been delayed

Subsea tree awards



SURF activity

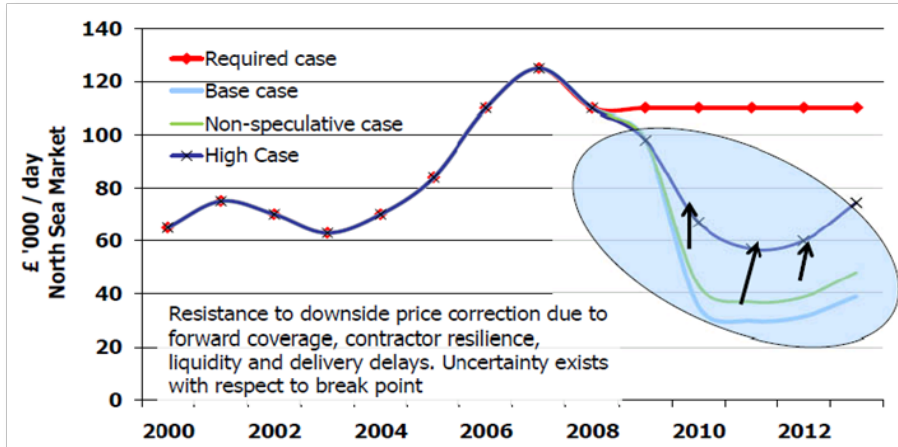


Strong demand for subsea construction operations expected



Improving Longer-Term Rates Outlook

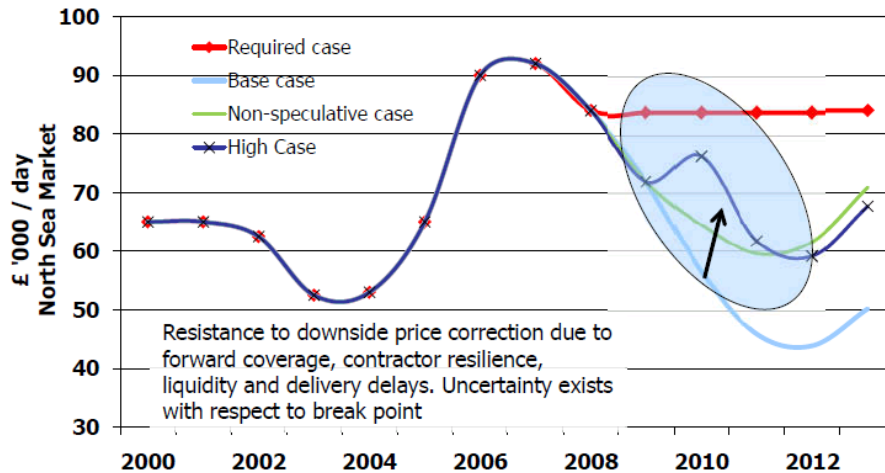
DSV rates in 4 scenarios



- Rates weakened further in 2009 although this was supported by forward coverage & commitments

- Increasing utilization becomes more important than high rates to maintain cash flow

LAYSV rates in 4 scenarios

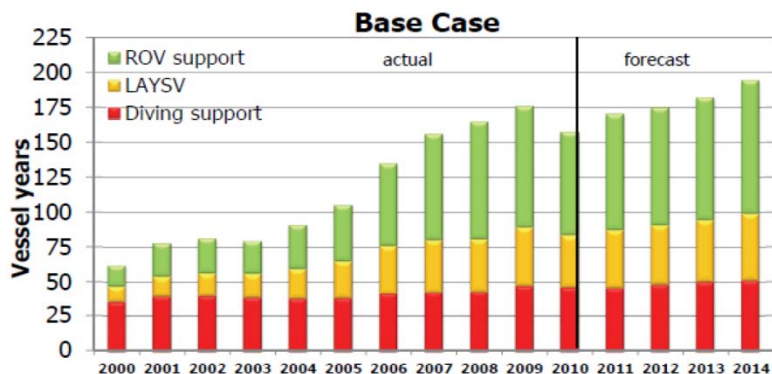


- A 30% increase in demand is required to lift rates to previous peak levels though in the medium term, there will continue to be weakening of rates

Markets will recover, slowly but surely

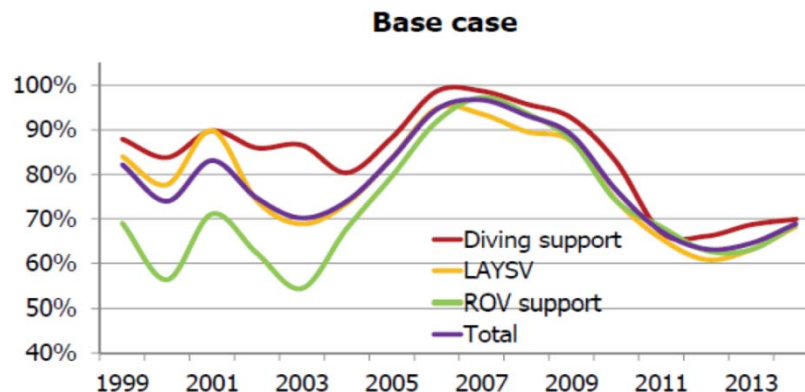


Global demand by vessel type



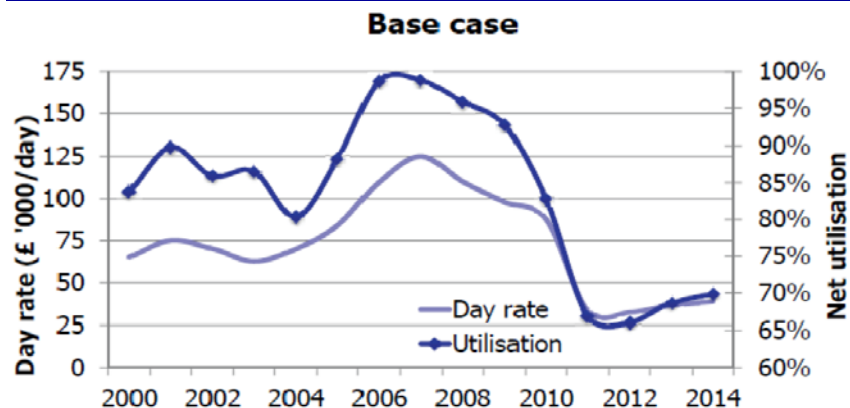
The Global Subsea Market to 2014
Strategic Offshore Research © 2011

Global vessel utilization



The Global Subsea Market to 2014
Strategic Offshore Research © 2011

North Sea DSV dayrates to 2014



The Global Subsea Market to 2014
Strategic Offshore Research © 2011



3. Subsea Business Review

Bruce Saunders

Projects Director Mermaid Offshore Services



Subsea Key Highlights

- Subsea achieved 75.3% utilization in 3Q2011 in line with our strategy to increase utilization through competitive pricing. Total service income for subsea increased by 65% year-on-year to approximately USD35.8 million
- Order book increased through the first 9 months of FY2011, and several of our vessels now have contracts in place for much of FY2011, with utilization improving over the same period from last year
- MOS achieved an operating profit of approximately USD4 million this quarter primarily due to improving utilization rates



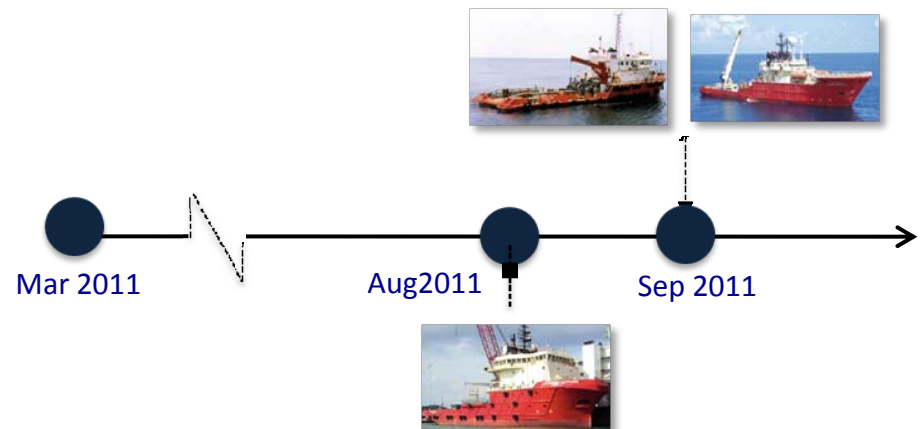
Subsea Tender Update

**Current bids in progress
~ USD300 mil ^[1]**

**Current work in progress
valued at USD79.5 mil**

**Order book at
USD58.8 mil for
FY2012/13**

- ***Greatly improved fleet utilisation at the prevailing market rates***
- ***Contracts won during 3Q2011 worth ~ USD8 mil primarily in key markets of Asia Pacific & Middle East***
- ***Utilization for subsea fleet to continue to improve for remainder of the year and now revised upwards to be above 65% utilization based on contracted work***



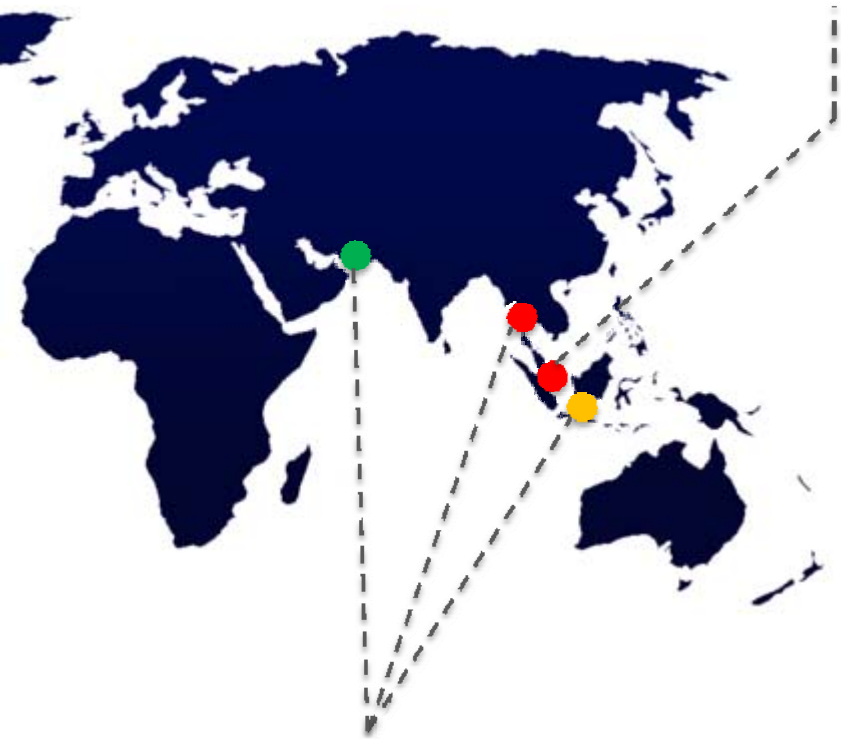
[1] This is an estimate that takes into consideration where Mermaid is of the view that the opportunity is real



Subsea Business Strategy

- *Mermaid Offshore Services*
- *Seascope*
- *Subtech*

High profile market presence from Singapore



Leverage presence in Thailand, Middle East & Indonesia

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

Lean Enterprise through:

- *Competent management in key position*
- *Effective systems*
- *Cost reduction*



4. Drilling Business Review

Steve Lenz

Executive Director, Mermaid Drilling Limited

Drilling Operations Update



MTR-1



Location: Thailand

Status: Waiting next contract award

Client: NA



MTR-2



Location: Indonesia

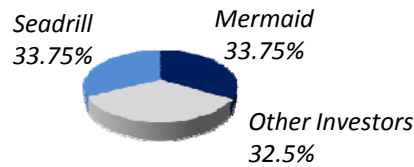
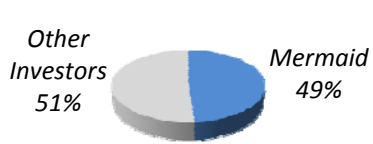
Status: Active in drilling operations

Client: Chevron Indonesia

- *MTR-1: Currently awaiting a decision on proposals on a contract for her to be employed as an accommodation barge by Chevron Indonesia*
- *MTR-2: Previous contract for MTR-2 ended at the end of March 2011, and she is working on a new 9-months contract for 270 days worth USD 26.5 million in Indonesia.*
- *MDL continues to enjoy outstanding safety performance which will serve as strong reference for future tenders, recently achieved 2-year operations with no loss-time accident.*



Asia Offshore Drilling - Update



11.11.10

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

8.12.10

Strike Steel at Keppel FELS for "Hull-B320"

01.07.11

2nd PP successfully completed. Seadrill becomes equal major shareholder with Mermaid

15.07.11
Listed in Oslo Axess

01.12.12 – 31.09.13

Delivery of three jack-up rigs

01.12.10

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

22.02.11

Strike Steel at Keppel FELS for "Hull-B321"



12.07.11

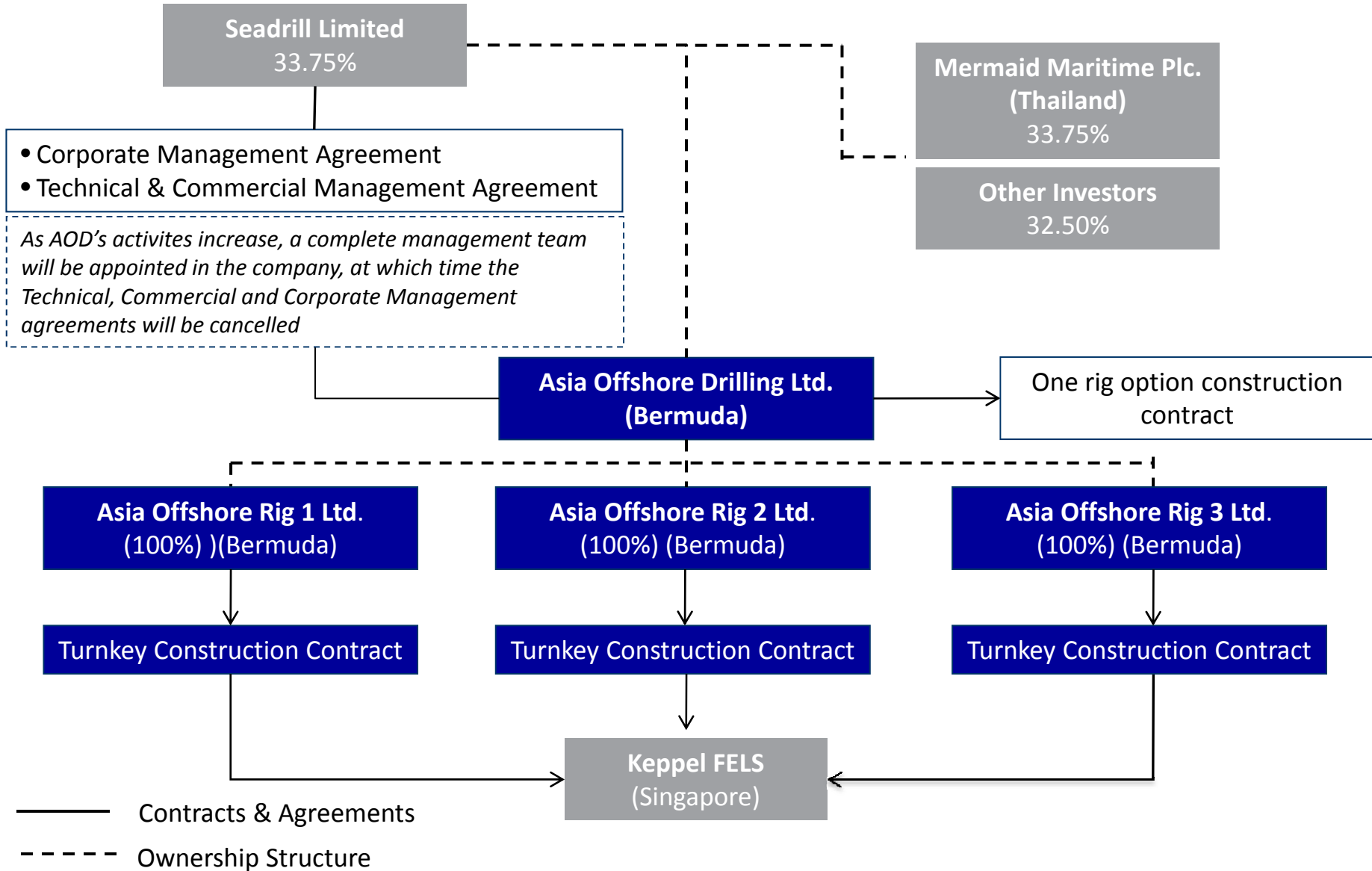
AOD signs construction contracts with Singapore Keppel FELS for 3rd jack-up rig



- Turnkey contract for delivery of three jack-up rigs in December 2012, March 2013 and September 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



Asia Offshore Drilling – Company Structure





5. Financial Review

Howard Woon

Head, Investor Relations



Financial Highlights 3Q2011

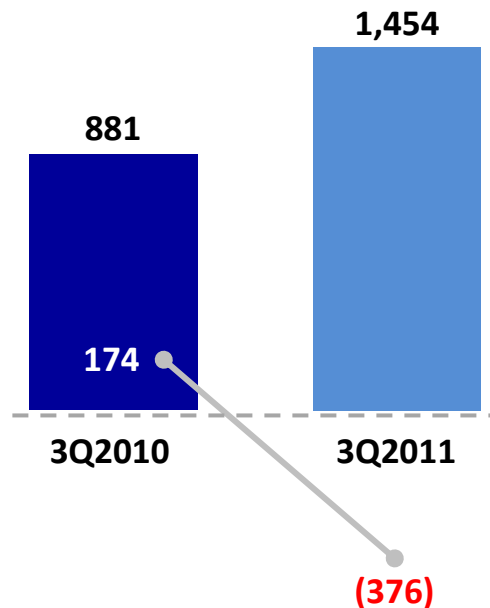
Year on Year Comparison

3M 3Q2011 Revenue (in THB millions)

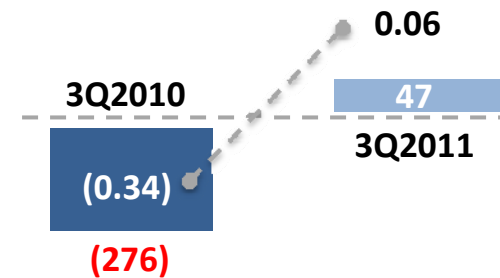
9M Operating Cash Flow (in THB millions)

3M 3Q2011 Net Profit (Loss) (in THB millions)

Basic and Diluted EPS




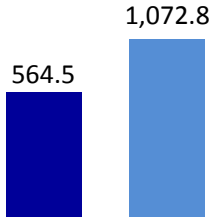
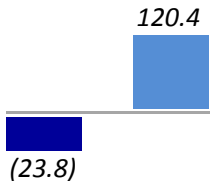
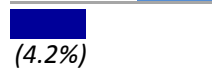
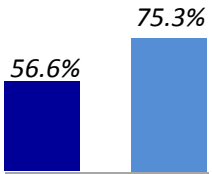

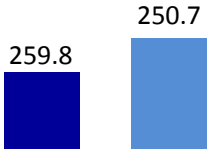
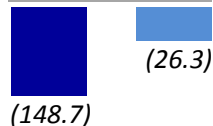
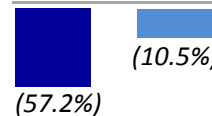
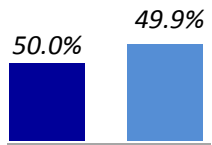
Revenue Growth/Decline & Operating Cash Flow



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

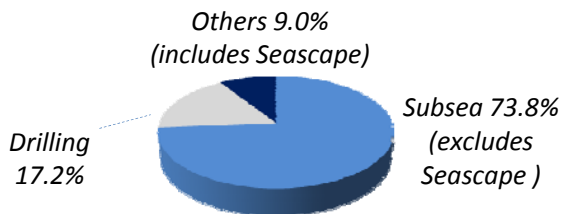
3Q2011 Sector Breakdown (3 Months)



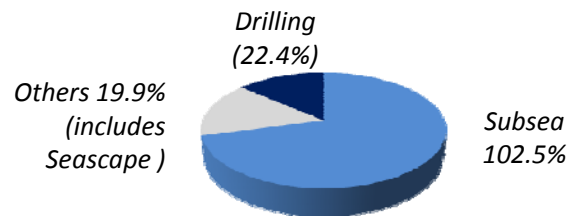
	Description	Service Income	Operating Profit/Loss	Operating Margin	Utilization Rate
Subsea Services 	Inspection, repair and maintenance; Infrastructure installation; Deepwater ROV support; Emergency call out services; Salvage				
Drilling Services 	Floating rigs, Accommodation rigs				

3Q2011

Revenue Breakdown



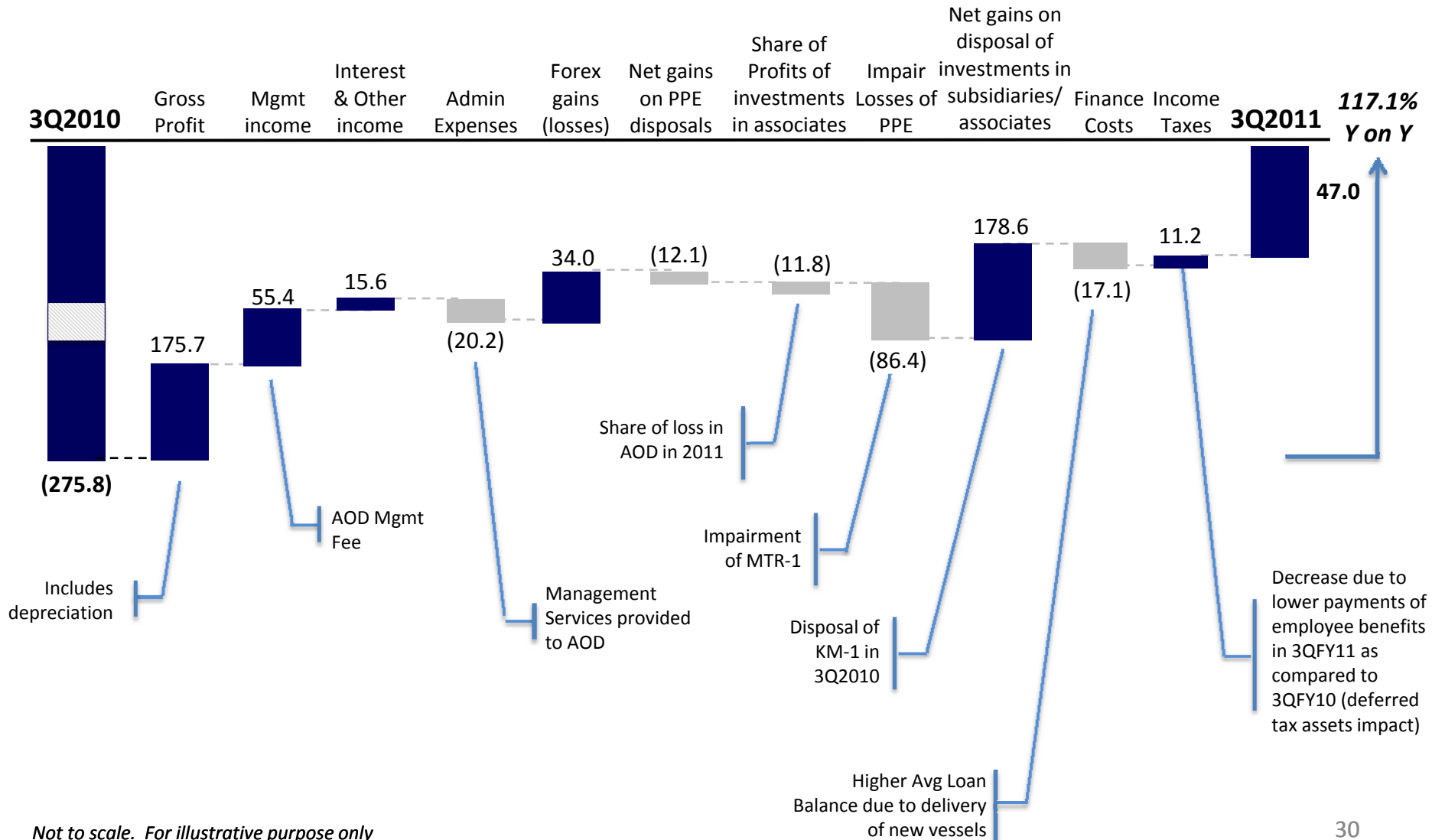
Operating Profit/Loss Breakdown





3Q2011 Profits & Losses (3 months)

All units in THB millions

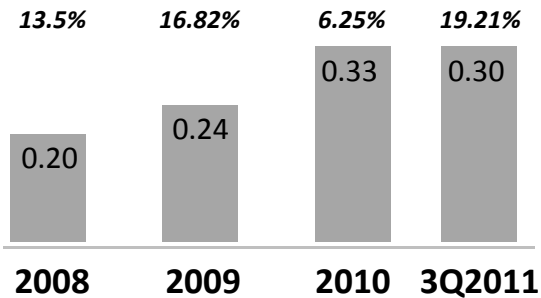


Not to scale. For illustrative purpose only



Debt structure

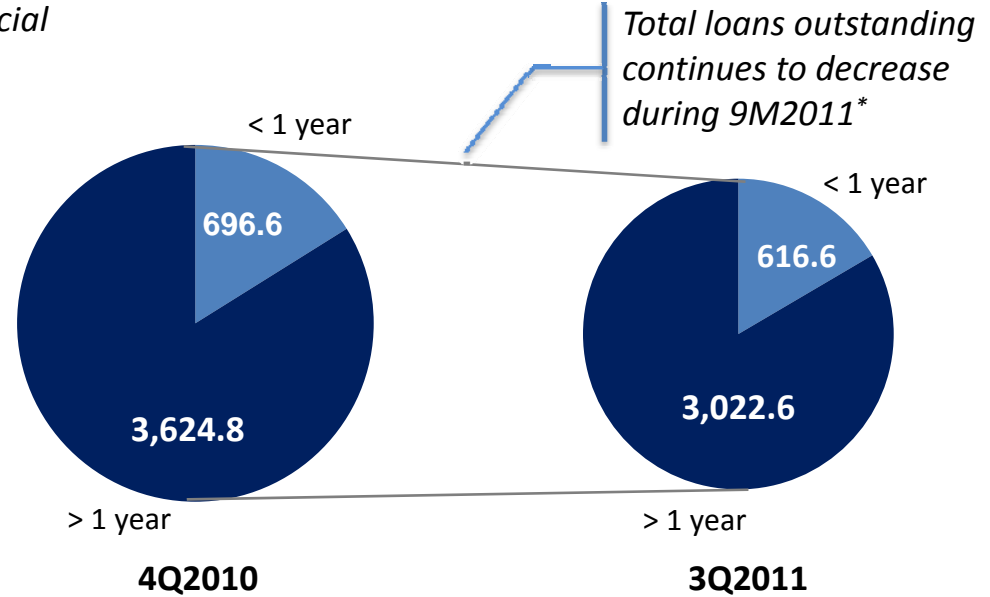
Net D/E (Times)
Net gearing (%)



Low D/E ratio
allows financial
flexibility

Loan Maturity

Units in THB millions



Total loans outstanding
continues to decrease
during 9M2011*

* EXIM Loans have not been fully drawn down

Repayment amount	Loan Repayment Schedule (USD Million)								
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	5.1	19.7	15.5	15.0	12.3	12.0	8.6	26.1	3.7

Remark: Exchange rate for conversion of loans in THB to USD was Baht 30.8882: USD 1
Not to scale. For illustrative purpose only



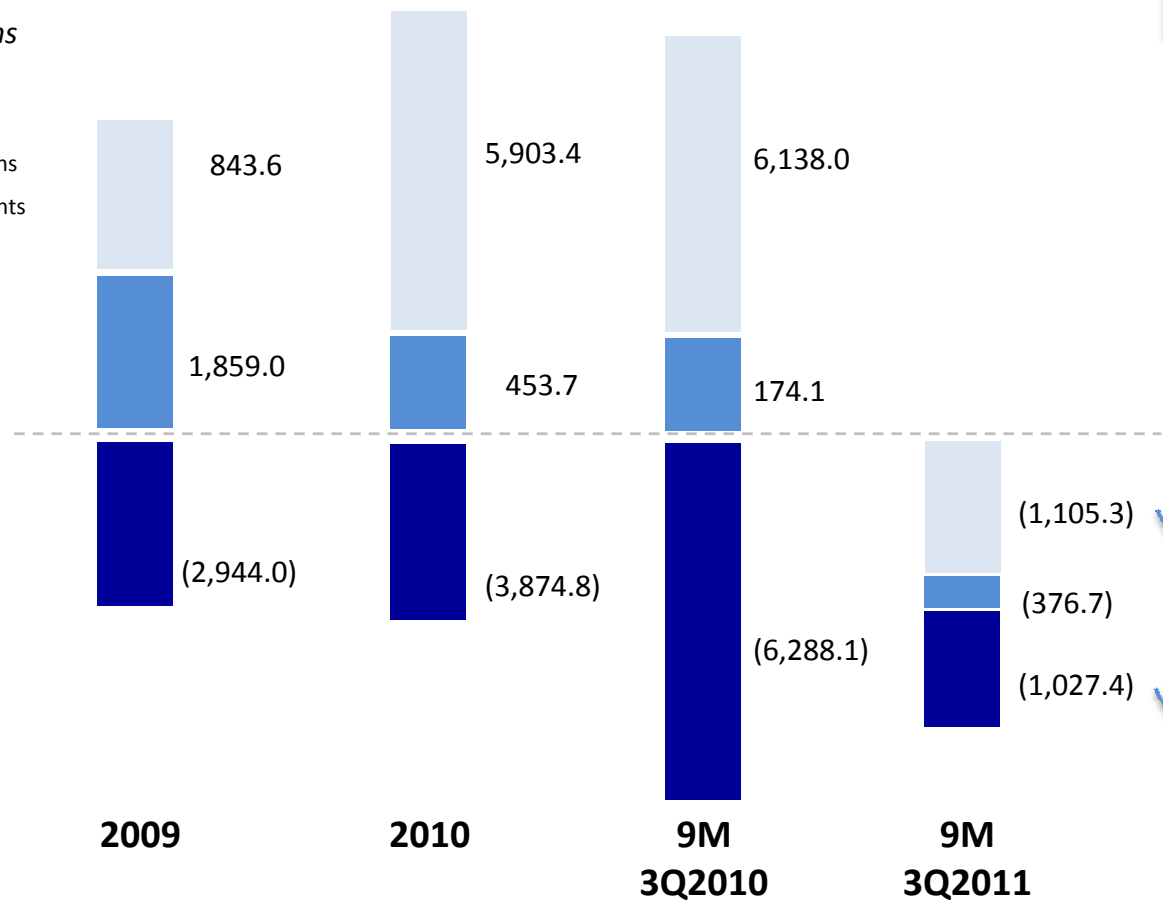
Cash flow

Cash & Cash Equivalents	1,450.5	3,742.9	1,435.2	1,216.9
Short-Term Investments (fixed deposits)	334.2	606.3	969.6	-

Total cash in hand has decreased mainly due to dividend payment, debt repayment and investment in AOD

All units in THB millions

- CF from Financing
- CF From Operations
- CF from Investments



One-off dividend and repayment of LT debt

Investment in AOD

Not to scale. For illustrative purpose only



6. Questions & Answers