



4Q2011 Results Briefing

Analyst & Investor Update

7 December 2011



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Agenda



- 1. Introduction**
- 2. Focus Section: AOD Update**
- 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 achieved total revenue in FY2011 of Baht 5,543 mil, an increase of Baht 2,066 mil (or 59.4%) from Baht 3,476 mil in FY2010
- Increase in revenue driven by increase in subsea utilisation of 69.1% compared to 39.5% in FY2010 supported by higher day rates which increased by 11.7% (in USD terms)
- Operating profit was Baht 186 mil, an increase of Baht 373 mil (or 199.3%) from an operating loss of Baht 187 mil in FY2010. Net loss of Baht 161 million compared to net of Baht 456 mil in FY2010.
- Excluding extraordinary items, Mermaid would have achieved a net profit of Baht 526 mil, with represents an improvement of 83.8% from FY2010

Key highlights (...con' t)



- Mermaid transferred AOD's technical and commercial management agreements to Seadrill Limited in July 2011
- AOD's Board resolved not to exercise 2nd option for fourth jack-up rig. Instead to invest USD 5 mil to upgrade existing 3 rigs' water depth from 350' to 400' to increase their marketability and geographical coverage
- Appointment of new Commercial Director and Projects Director to strengthen subsea business
- Subsea division received several awards and commendations from our long-term clients for operational excellence

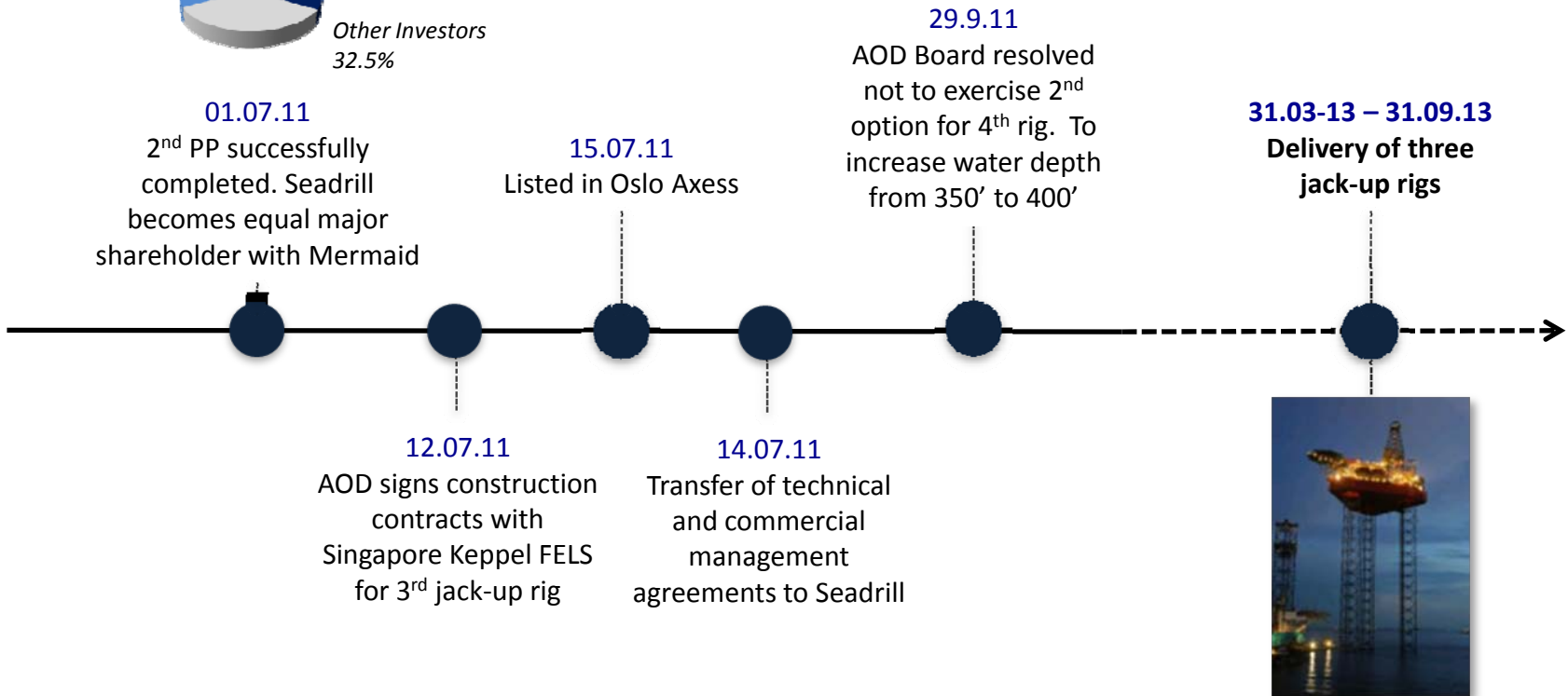
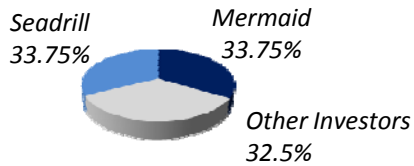


2. Focus Section: AOD Update

Howard Woon

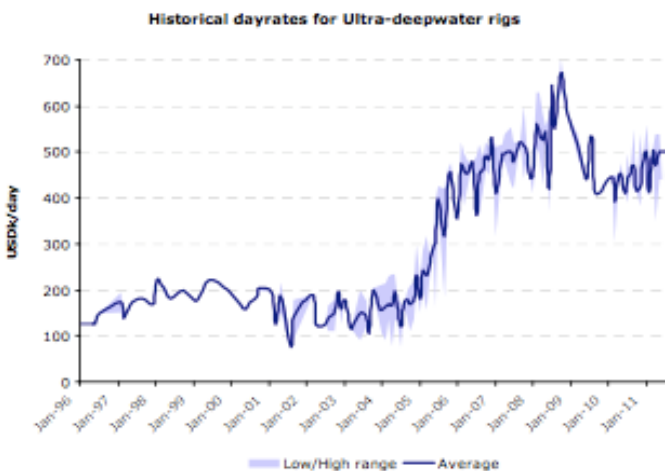
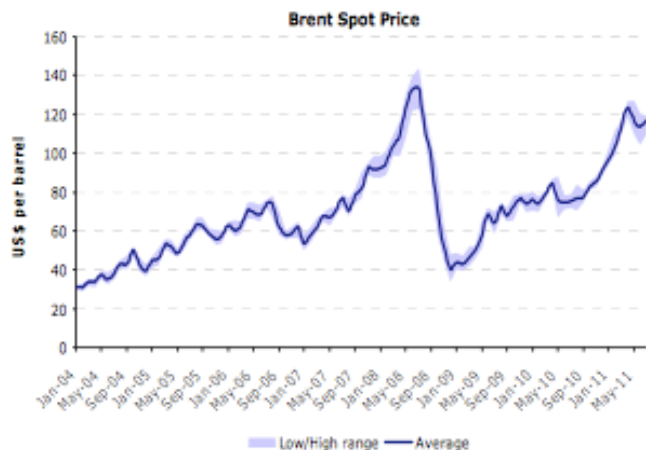
Head, Investor Relations

Asia Offshore Drilling - Update



- AOD Board resolved not to exercise option for 2nd option for 4th jack-up rig
- Decided to increase water depth to 400' to increase marketability of the rigs, allowing them to operate in more areas. Total investment is estimated at USD 5 mil
- Turnkey contract for delivery of three jack-up rigs now postponed to March 2013 and June 2013 for the first 2 rigs respectively. Delivery for 3rd rig remains unchanged at September 2013.

Market Outlook



- *Oil prices remain at historically high levels, with higher growth in E&P spending*
- *Continue to see strong demand for high specification units that offer superior technical capabilities, operational flexibility and reliability*
- *Utilization is increasing for all asset classes and we observe significant increase in tenders and requests from customers*
- *Demand in Asia-Pacific remains strong and has spurred relocation of high specification units from other geographic regions*
- *We see several efforts ongoing in order to consolidate the low end of the jack-up market, which could lead to accelerated scrapping of units and a better market balance for the jack-up market going forward*



3. Subsea Business Review

Graham Cooper

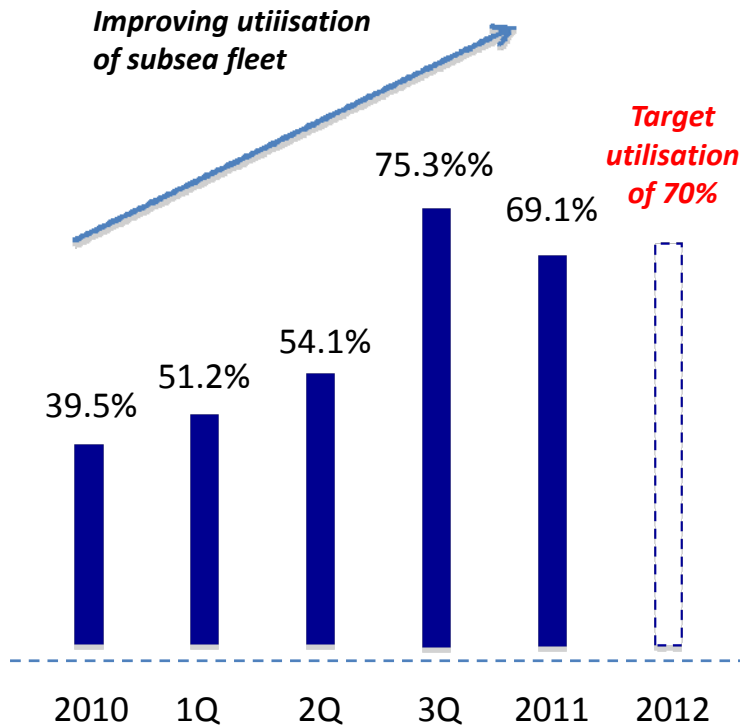
*Commercial Director, Mermaid Offshore
Services*



Subsea Key Highlights

- Subsea achieved asset utilisation of 69.1% in 2011 versus 39.5% in 2010. Average day rates increased by 11.7% in US Dollars and 3.0% in Thai Baht
- Mermaid Commander completed her biggest diving programme for Chevron / CUEL with the Mermaid Commander receiving a special award having achieved 10 years of marine operations without a single lost time incident
- Mermaid Endurer continued to build a reputation for herself providing construction support in the Mediterranean with Subtech. The vessel has now secured her first contract in West Africa to provide IRM Diving services. Contract duration is 120 days worth USD 11.5 million excluding optional work
- Mermaid Asiana completed 8 ½ months continuous diving programme in China
- Mermaid Siam received special award from Total following a very successful pipeline remedial campaign for Total in Qatar.
- MOS opened its new office in Singapore in September 2011 to support its international vessel fleet in SEA.

Subsea Tender Update – 4Q2011



- *Fleet utilisation for 4Q2011 shows an increase of 15% over same period in 2010 with improvements for Endurer, Asiana, Sapphire and Challenger.*
- **Major contracts won include:**
 - Mermaid Endurer secured WA work for 120- 180 days mobilising December*
 - Mermaid Performer has secured 170 days work in Thailand for 2012*
 - Mermaid Sapphire looks likely to close out contracts providing work through to end August 2012*
 - Mermaid Commander secures short diving work in December 2011*

Utilization for subsea fleet for 1Q2012 is expected to continue to improve in line with expectations.



Markets Outlook – Strong Demand

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

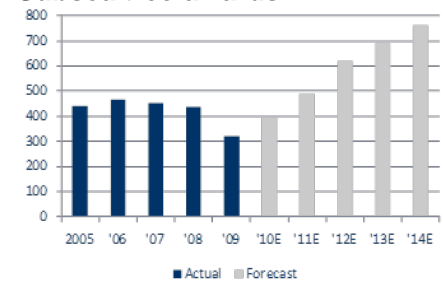
Pipelaying activity

- A field development will involve demand for pipeline installation

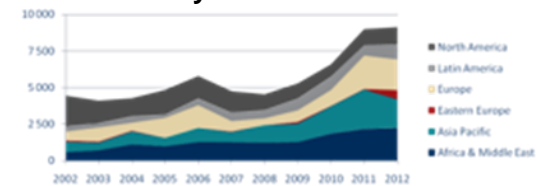
Decommissioning

- 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

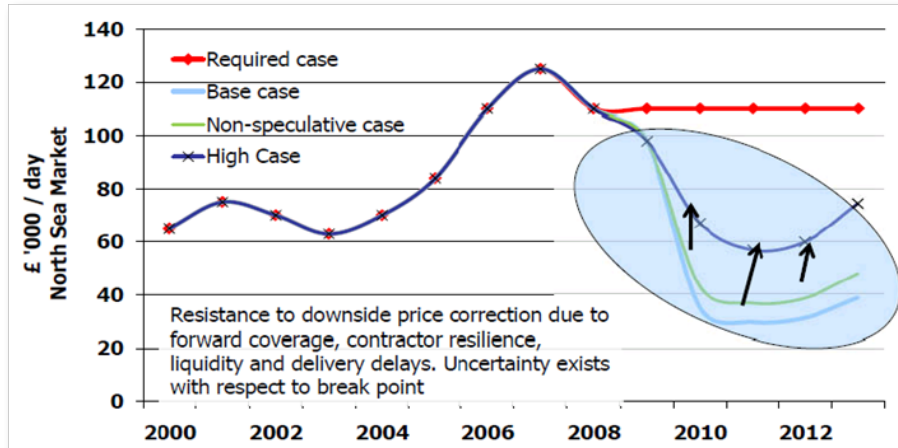


Strong demand for subsea construction operations expected

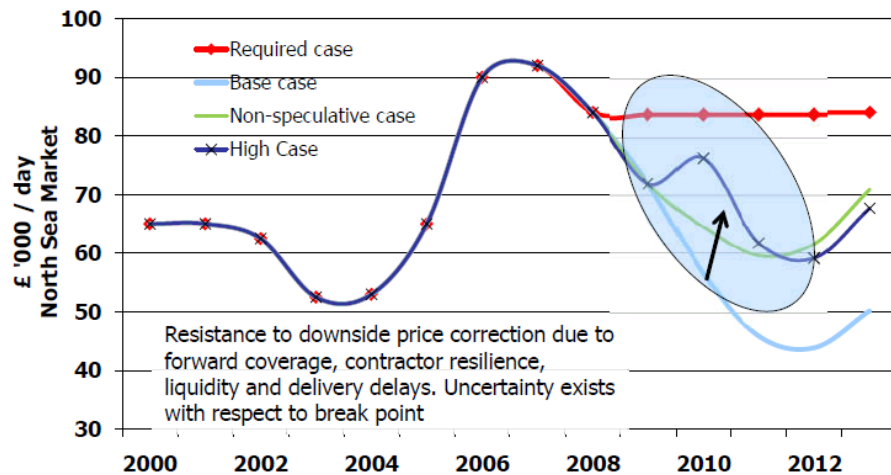


Charter Rates Outlook

DSV rates in 4 scenarios



LAYSV 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
- 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 – Building on Key Positives

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

1 *Very favorable industry response to the opening of Singapore office*

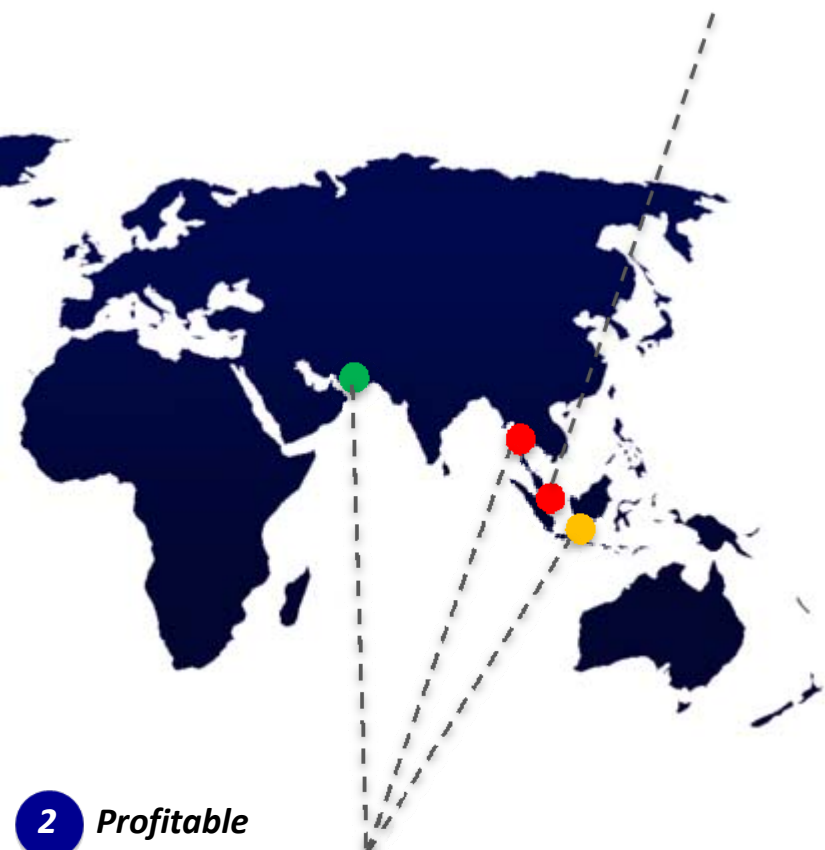
3 *Sold mix of subsea assets and ROVs*



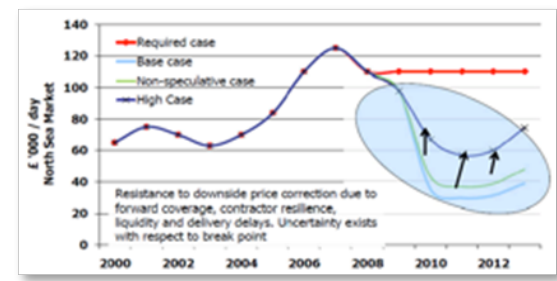
4 *Strong technical capabilities, solid offshore performance*



5 *2012 upbeat forecast from vessel owners – improved day rates*



2 *Profitable performance by both Subtech and Seascope*





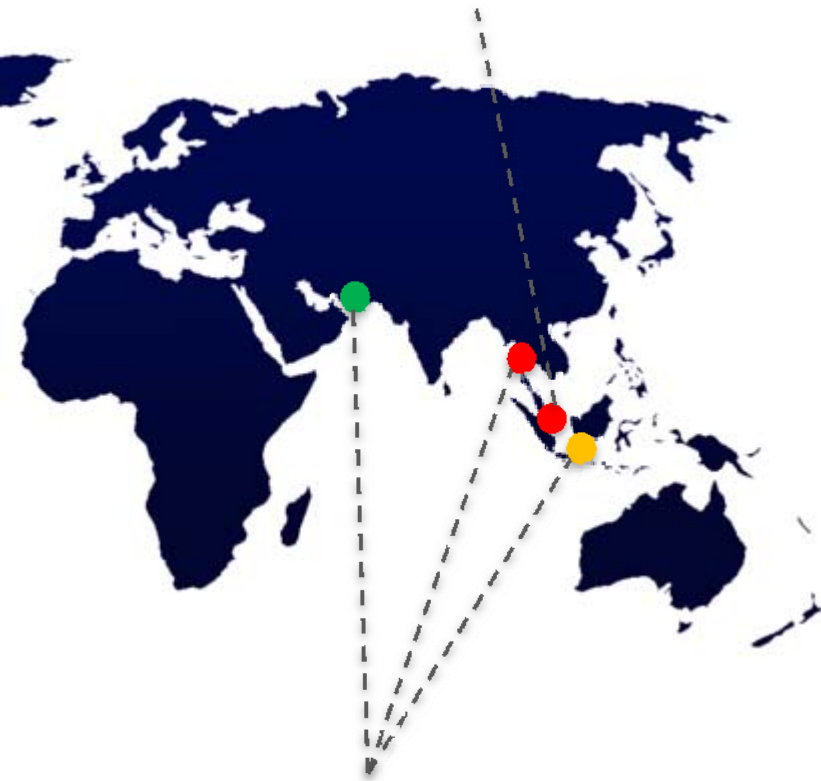
Subsea Key Initiatives

● **Mermaid Offshore Services**

● **Seascope**

● **Subtech**

High profile market presence from Singapore



Leverage presence in Thailand, Middle East & Indonesia

- 1. Improve Management Control**
- 2. Fiscal Discipline & Control**
 - *Redefine vessel manning levels*
 - *Reduce vessel operating costs*
 - *Improve procurement processes & controls*
- 3. Increase Commercial & Marketing Activities**
 - *Strengthen the commercial offering – and seek more added value content*
 - *Increase market awareness and increase number of enquiries*
 - *Regionlise commercial offerings through business units*
- 4. Increasing International Focus with Appropriate Corporate Structure**
- 5. Re-positioning of Seascope and Subtech as Business Units, not subsidiaries**



4. Drilling Business Review

James Mcghee Nicol

*Operations Manager, 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: An international oil & gas company operating in Indonesia have currently accepted MTR-1 as an accommodation / work over support barge for 150 day charter at a potential contract value of \$5 mil currently awaiting BP Migas approval*
- *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 ending in April 2012*
- *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 in Indonesia*



5. Financial Review

Siriwan Chamnannarongsak
Finance Director

Highlights FY2011



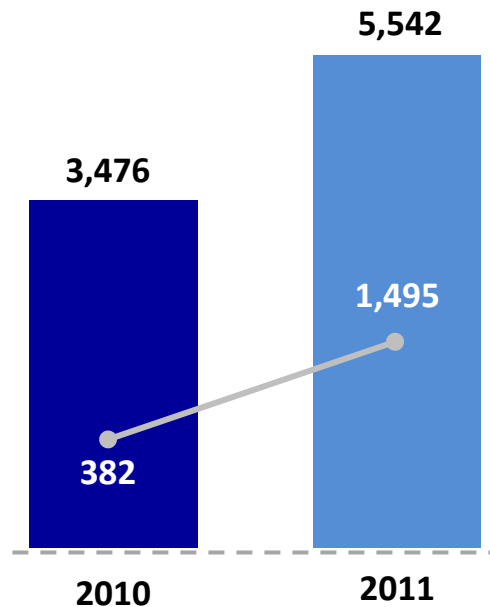
Year on Year Comparison

Revenue (in THB millions)

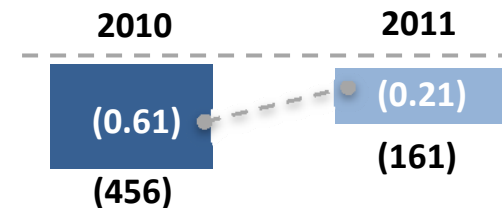
Operating Cash Flow before change in working capital (in THB millions)

Net Profit (Loss) (in THB millions)

Basic and Diluted EPS





Revenue Growth & Operating Cash Flow



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

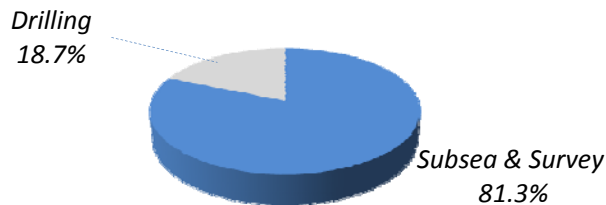
Sector Breakdown



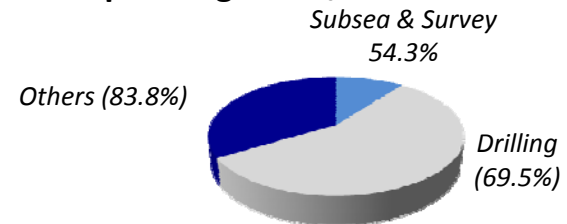
	Description	Service Income	Operating Profit/Loss	Operating Margin	Utilization Rate
Subsea & Survey Services 	Inspection, repair and maintenance; Infrastructure installation (EPIC); Deepwater ROV support; Emergency call out services; Salvage; Marine Survey & Positioning	2010: 2,377.6 2011: 4,504.3	2010: (274.0) 2011: 100.9	2010: (11.5%) 2011: 2.2%	2010: 39.5% 2011: 69.1%
Drilling Services 	Floating rigs, Accomodation rigs Deepwater Drillers	2010: 1,076.3 2011: 1,038.5	2010: (16.9) 2011: 129.0	2010: (1.6%) 2011: 12.4%	2010: 56.7% 2011: 47.9%

FY2011

Revenue Breakdown



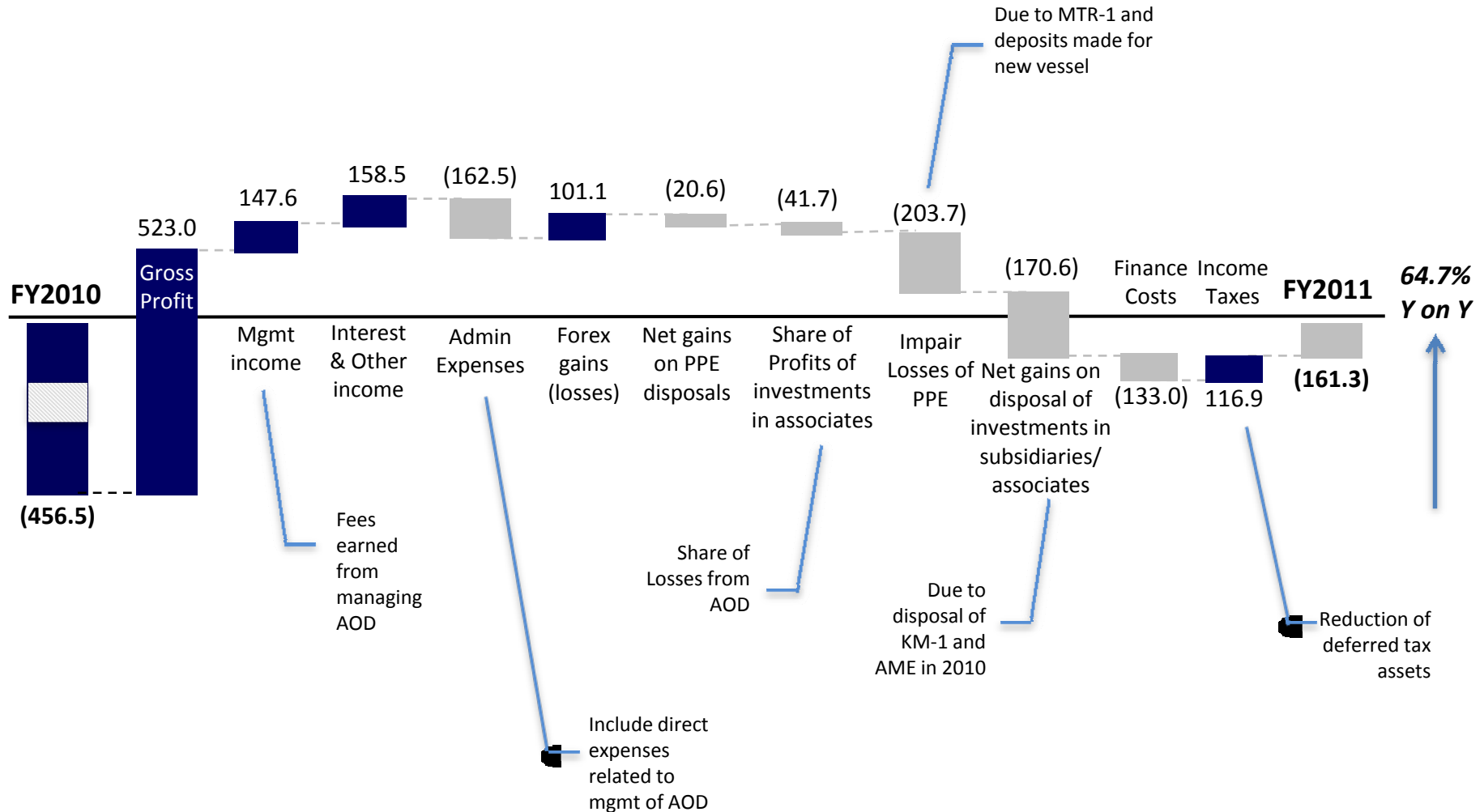
Operating Profit/Loss Breakdown





FY2011 Profits & Losses

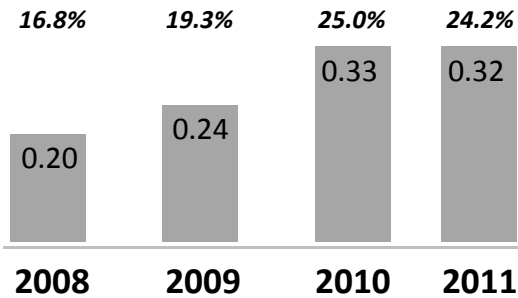
All units in THB millions





Debt structure

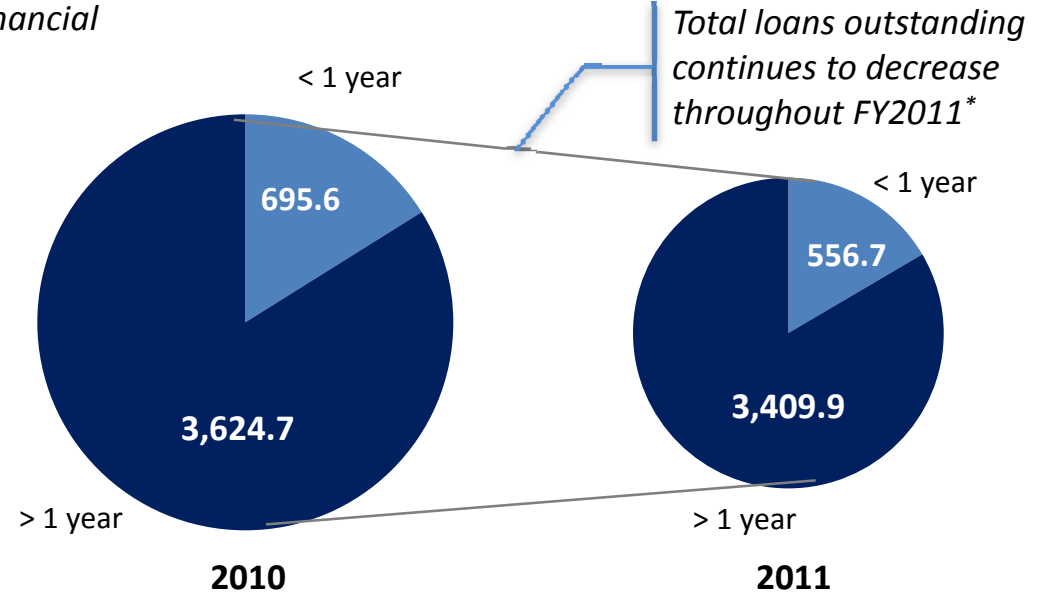
Net D/E (Times)
Net gearing (%)



Low D/E ratio
allows financial
flexibility

Loan Maturity

Units in THB millions



Total loans outstanding
continues to decrease
throughout FY2011*

* EXIM Loans have not been fully drawn down

Repayment amount	Loan Repayment Schedule (USD Million)									
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
	11.2	11.6	13.2	11.3	13.2	9.7	8.3	8.4	15.0	18.1

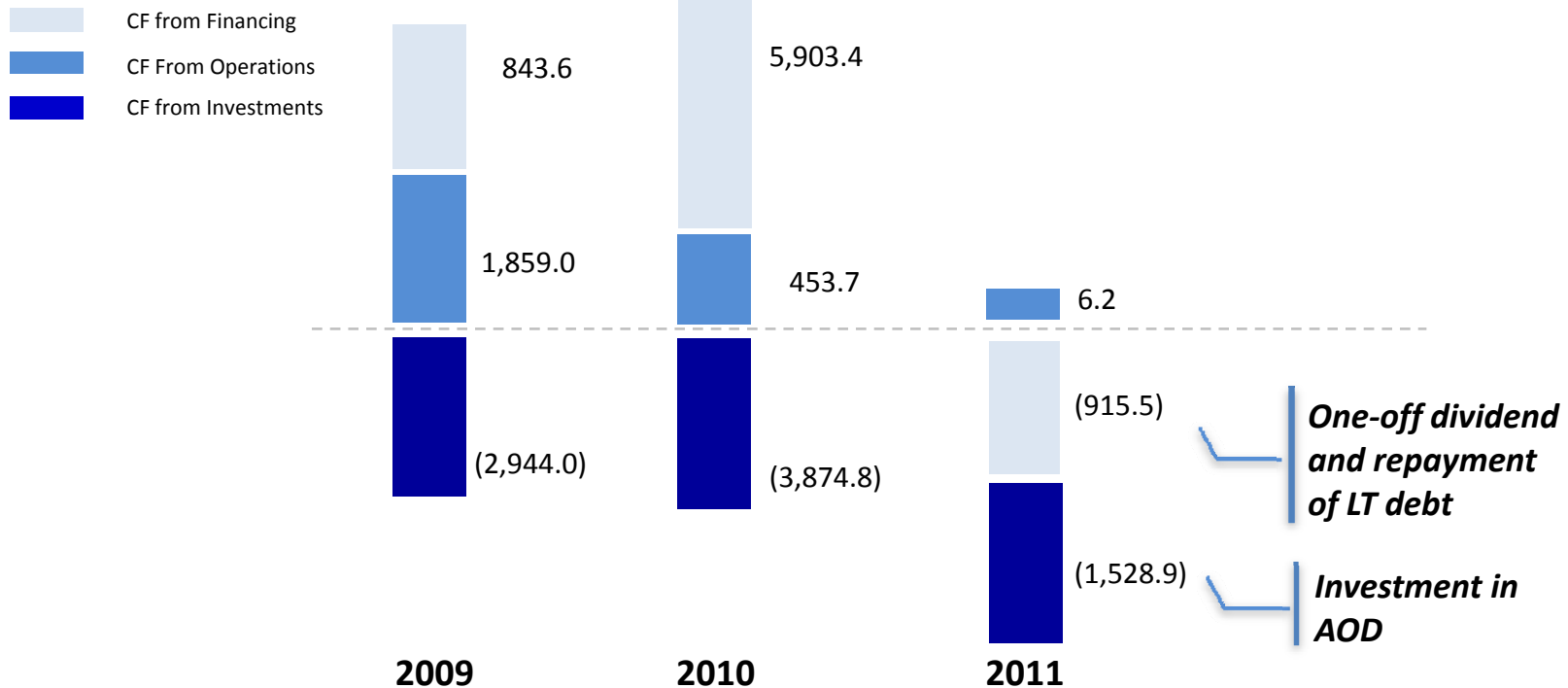
Remark: Exchange rate for conversion of loans in THB to USD was Baht 31.1674: USD 1
Not to scale. For illustrative purpose only



Cash flow

Cash & Cash Equivalents	1,450.5	3,742.9	1,352.3	Total cash in hand has decreased mainly due to dividend payment, debt repayment and investment in AOD
Short-Term Investments (fixed deposits)	334.2	606.3	-	
Restricted Deposits at Financial Institutions	-	-	330.6	

All units in THB millions





6. Questions & Answers