



# Mermaid Maritime PLC

## Shareholders' Forum

*Saturday 25 February 2012*

*Suntec City, Singapore*



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# Agenda

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- 1. Introduction**
- 2. Subsea Business Overview**
- 3. Drilling Business Overview**
- 4. Asia Offshore Drilling Overview**
- 5. Financial Overview**
- 6. Summary & Conclusion**
- 7. Questions & Answers**



# 1. Introduction

***Bruce M. Gemmell***  
*Chief Executive Officer*

# An Introduction to the CEO



## *Professional History*



**Bruce M. Gemmell**  
**Chief Executive Officer**

- Joined Mermaid Maritime as CEO on 16 January 2012
- Graduate of Ocean Engineering (Florida Atlantic University USA)
- Working experience across ME, Asia Pacific, South America and Africa

*Over twenty-five years of experience in the offshore oil and gas industry and having worked in many countries, Bruce will bring strong experience and leadership to Mermaid.*

*Appointed as the new Chief Executive Officer of Mermaid Maritime Public Company Limited effective 16 January 2012.*

*Most recently Chief Executive Officer of CUEL Swiber Offshore (Thailand) Ltd., a joint venture between CUEL Limited and Swiber Holdings Limited.*

*Prior to that, Bruce was based in Doha, Qatar as the Operations and Country Manager of J. Ray McDermott Middle East Inc. and J. Ray McDermott Eastern Hemisphere Ltd. working with all major Qatar clients, including Qatar Petroleum, Exxon Mobil, Shell, and Maersk Oil. From 2002-04, Bruce was a Senior Project Manager, Offshore Operations for J. Ray McDermott based in Dubai.*

*A graduate of Ocean Engineering from Florida Atlantic University (USA), Bruce was raised overseas and has lived in not only Qatar and the United Arab Emirates and also Mexico, Nigeria, Venezuela, Libya, Indonesia, Singapore, Australia, and Malaysia.*

# Overview of Mermaid Maritime Plc



**29**

Years since Mermaid Maritime's establishment



**5**

regions in which Mermaid operates



**500**

skilled workers, crews, technicians, service providers & management

## SUBSEA BUSINESS



**8**

subsea vessels



**4**

saturation diving systems



**12**

remotely operated vehicles



## DRILLING BUSINESS

**2**

tender drilling rigs



**3**

high-spec jack-ups\*



\* 33.75% ownership through Asia Offshore Drilling Limited

Subsea inspection, repair and maintenance

Subsea Infrastructure installation support

Subsea remotely operated vehicle support

Subsea emergency callout service

Subsea salvage

Accommodation rig services

Offshore drilling and workover services



# Two Key Businesses to Balance Earnings



## SUBSEA BUSINESS

- Short to mid-term contracts
- Existing & new subsea infrastructure driven coupled with deeper exploration



## DRILLING BUSINESS

- Typically long-term contracts
- Additional and enhanced production



# Key Milestones



2008

Acquired Seascope Surveys for access to hydrographic and positioning services. Took delivery of 'Mermaid Challenger'. Acquired 20% of 'Mermaid Asiana' under construction.

2009

Acquired 'Mermaid Endurer' under construction. Took delivery of 'Mermaid Sapphire' and purchased remaining 80% of 'Mermaid Asiana' under construction. Raised ~SGD 156 million from rights issue.

2010

Acquired Subtech to expand subsea services in the Middle East and Persian Gulf.

Disposed 'Mermaid Responder', purchased 'Mermaid Siam' and took delivery of 'Mermaid Endurer' and 'Mermaid Asiana' bringing total subsea fleet to 8 vessels.

Acquired 49% equity stake in Asia Offshore Drilling with two high specification jack-ups under construction with Keppel FELS, bring the total potential drilling fleet investment to 4 rigs.

2011

Participated in 2nd round of fund raising, acquired an equal 33.75% stake in AOD with Seadrill Limited.

AOD ordered 3rd high specification jack-up bringing total number of rigs to 3. AOD successfully listed in Oslo Bors ASA during the year. Mermaid 'Endurer' and 'Asiana' commences maiden contract work in North Sea and Asia Pacific regions respectively.

MTR-2 renews drilling contract with Chevron Indonesia whilst achieving 2 mil hours no lost time accident. Mermaid Commander achieved 10 years operations without lost-time injury.

2012

MTR-1 awarded work-over contract for Chevron Indonesia.

Mermaid Group's BU Subtech Qatar secured inaugural contract in Congo, West Africa using Mermaid Endurer.

Mermaid Group's BU Seascope achieved contracted backlog and secured long-term charter of DP2 vessel to support our growth.





## 2. Subsea Business Overview

***Bruce Saunders***

*Projects Director, Mermaid Group*

# Subsea Services Overview

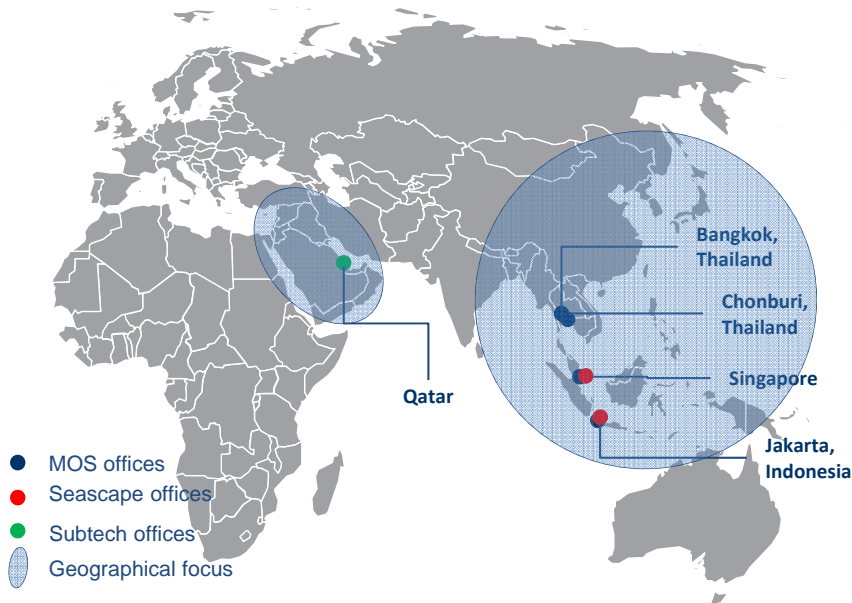


## Overview

- Mermaid Offshore Services (“MOS”) provides subsea engineering services including surveying, inspection, repair and maintenance (IMR), light construction and ROV/diver 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



12 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





# Incumbent position in key geographies

- Mermaid has a strong foothold in its key markets – Thailand, Indonesia, and the Middle East
- Mermaid 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 new markets like Brazil, India, West Africa and Mediterranean

<b>Thailand:</b> <b>Via Business Unit Mermaid Offshore Services (MOS)</b>	<b>Indonesia:</b> <b>Via Business Unit Seascope</b>	<b>Middle East:</b> <b>Via Business Unit Subtech</b>
<ul style="list-style-type: none"> <li>• 29 years of market presence in Thailand</li> <li>• MOS' logistics base in Chonburi, being in close proximity to several deep water ports, facilitates efficient mobilization of personnel and equipment</li> <li>• MOS has IMCA compliant diving capabilities, and was awarded the ISO9001:2008 quality management systems certification</li> <li>• Key clients: Chevron Thailand and CUEL, NPCC, PTTEP, and Romona</li> </ul>	<ul style="list-style-type: none"> <li>• Seascope primarily provides subsea inspection, survey and positioning services in South-East Asia</li> <li>• Contractor Member of the International Marine Contractor Association (IMCA)</li> <li>• Seascope has a strong network in Indonesia, supporting operations globally for the group (Indonesia, Thailand, W. Africa, Mediterranean, Vietnam, E. Timor, and Australia)</li> <li>• Key clients: ConocoPhillips Indonesia, Chevron Indonesia, PT Hallin Indonesia, PT Timas Suplindo, Premier Oil and Swiber</li> </ul>	<ul style="list-style-type: none"> <li>• Subtech (Qatar) is an IMCA member and ISO 9002 approved diving and subsea contractor in Qatar</li> <li>• Subtech is the only locally incorporated diving contractor with a proven track record, allowing MOS to successfully penetrate into the Middle East market</li> <li>• Key clients: Qatar Petroleum, Exxon-Mobil, Occidental, McDermott, Maersk Oil Qatar, and NPCC</li> <li>• Strong local business knowledge</li> </ul>

## 80% owned by Mermaid since March 2008

- Founded in 2005, Seascope has over 100 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
  - Leading survey and positioning contractor in Asia Pacific for FPSO and FSU installations
- 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 FY2011 of approximately USD 23 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 Mermaid 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
- Increasing presence in the Middle East & W. Africa regions. Contracts awarded include the Gulf of Mexico and Far East region
- With Mermaid has successfully expanded into the Middle East and Arabian Gulf region
  - Strong client relationships in the region helped to drive Mermaid's marketing and vessel utilization
  - Only locally incorporated diving contractor with a proven track record
  - Strong local business knowledge
- Profitable business with notable contributions to Mermaid
  - For FY2010, more than a third of bids submitted by Mermaid were through Subtech
  - Annualized turnover of USD 32 million in FY2011

## *Key customers*



**ExxonMobil**

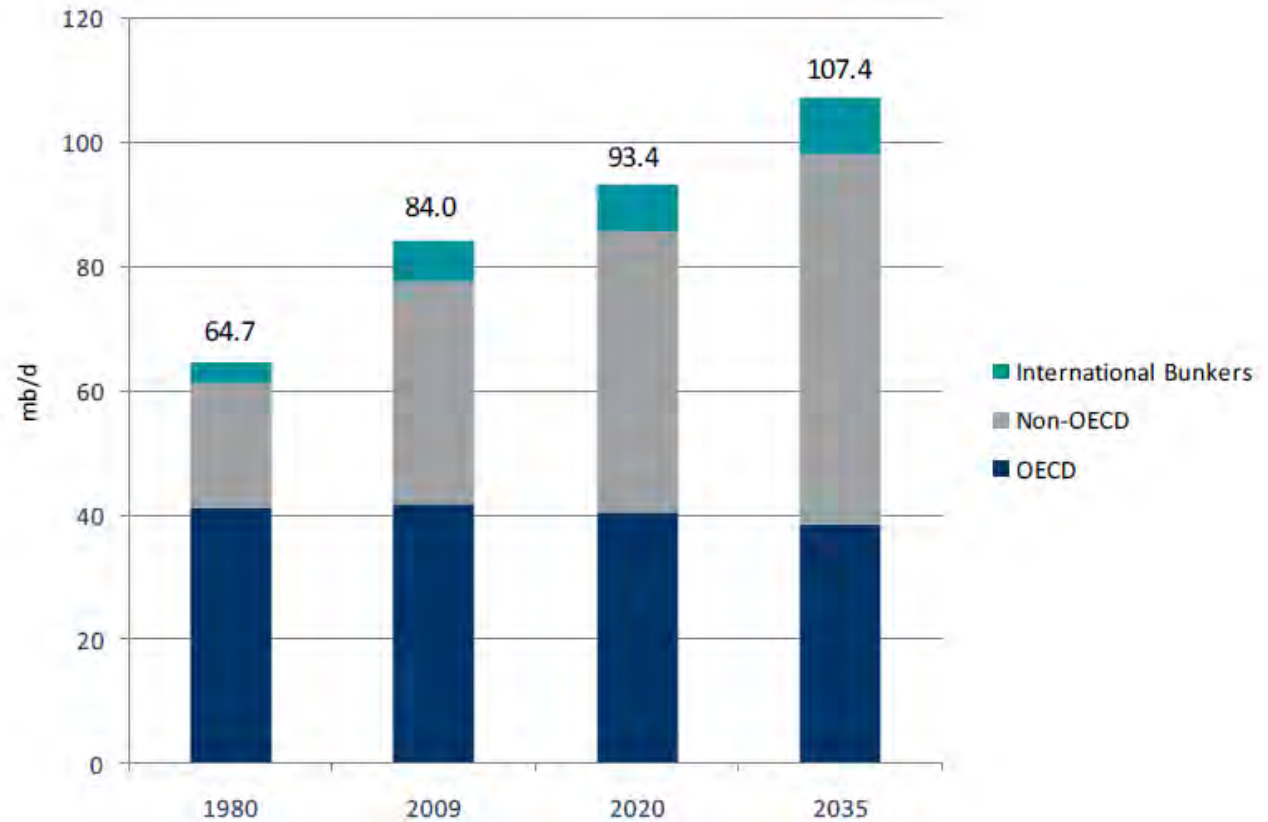


# Global oil demand is increasing



- 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



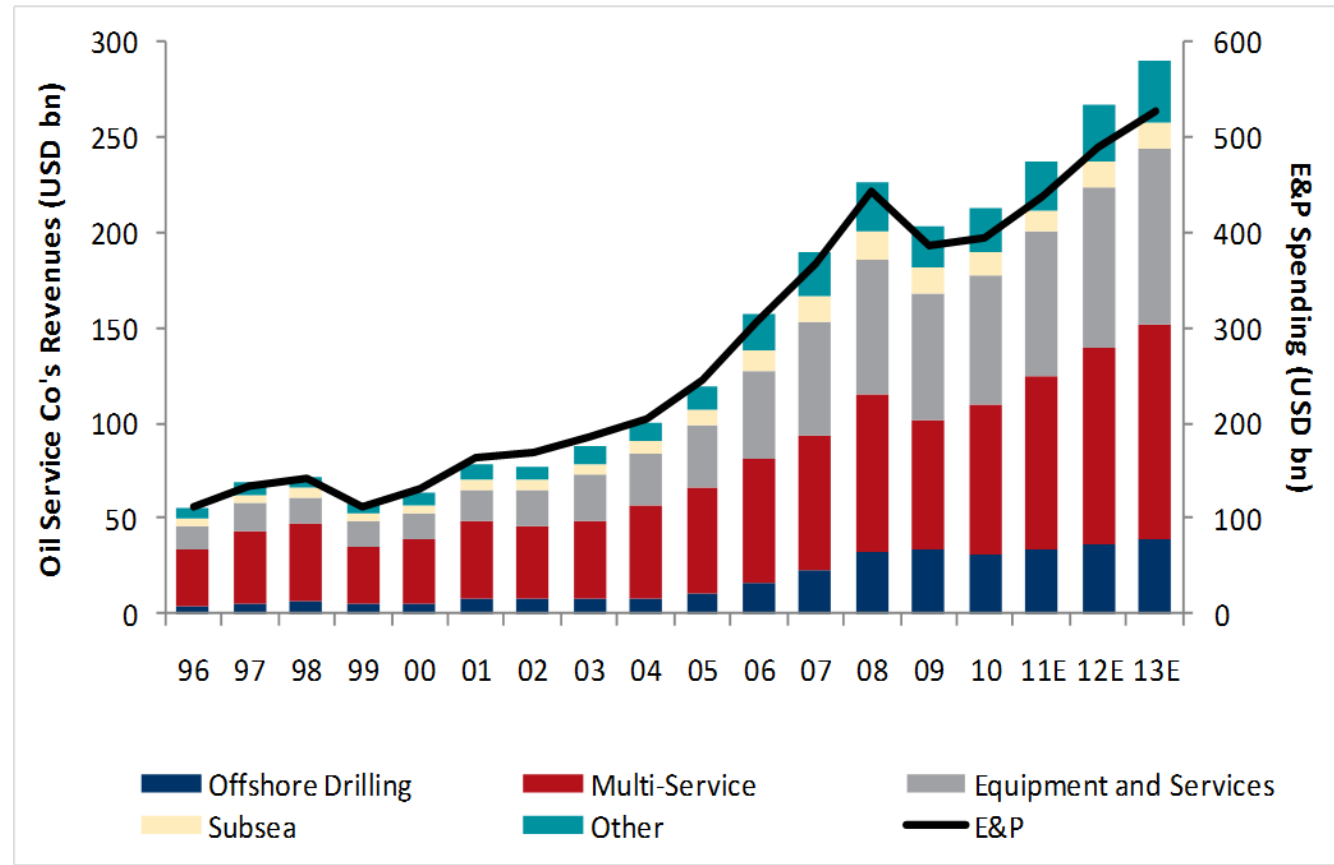
Source: Reference Scenario, World Energy Outlook 2010, International Energy Agency

# 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



# 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

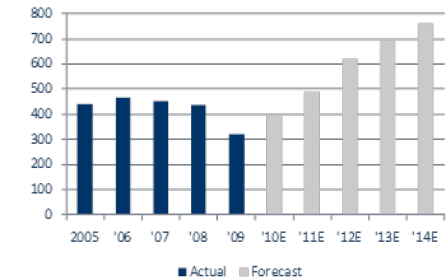
### Pipelaying activity

- A field development will involve demand for pipeline installation

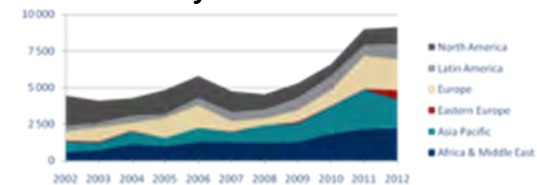
### Decommissioning

- 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**





# Subsea – Building on Key Positives

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

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

**3** *Solid mix of subsea assets and ROVs*

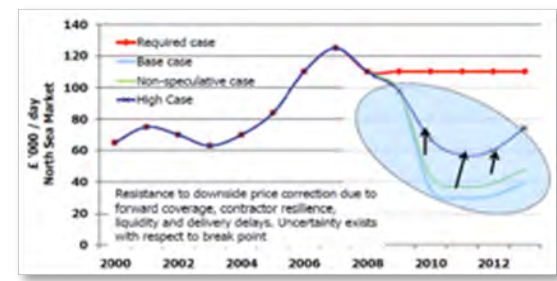


8 subsea vessels      12 ROVs      4 saturation diving systems

**4** *World-class technical capabilities, safe and consistent 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*
- *Increasing market awareness is yielding higher volume of tendering activity*
- *Regionalize commercial offerings through business units*

## **4. Increasing International focus by empowering business units of Mermaid (MOS, Seascope & Subtech)**

## **5. Working toward establishment of subsea engineering support capabilities**



### **3. Drilling Business Overview**

***James Mcghee Nicol***

*Operations Manager, Mermaid Drilling  
Limited*

# Drilling Operations Update



## MTR-1



Location: Thailand

Status: Pending deployment to Indonesia

Client: Chevron Indonesia



## MTR-2



Location: Indonesia

Status: Active in drilling operations

Client: Chevron Indonesia

- *MTR-1: Recently completed 5-year mandatory SPS survey below budget. Currently pending deployment for new contract award for an accommodation / work over support barge contract by Chevron Indonesia for 150 day charter, at a contract value of \$5 million commencing 8 April 2012*
- *MTR-2: Currently working on a new contract for 270 days worth USD 26.5 million in Indonesia ending in April 2012*
- *MDL continues to achieve outstanding safety performance which will serve as a strong standing for future tenders, nearing 3-year operations with no loss-time accident*

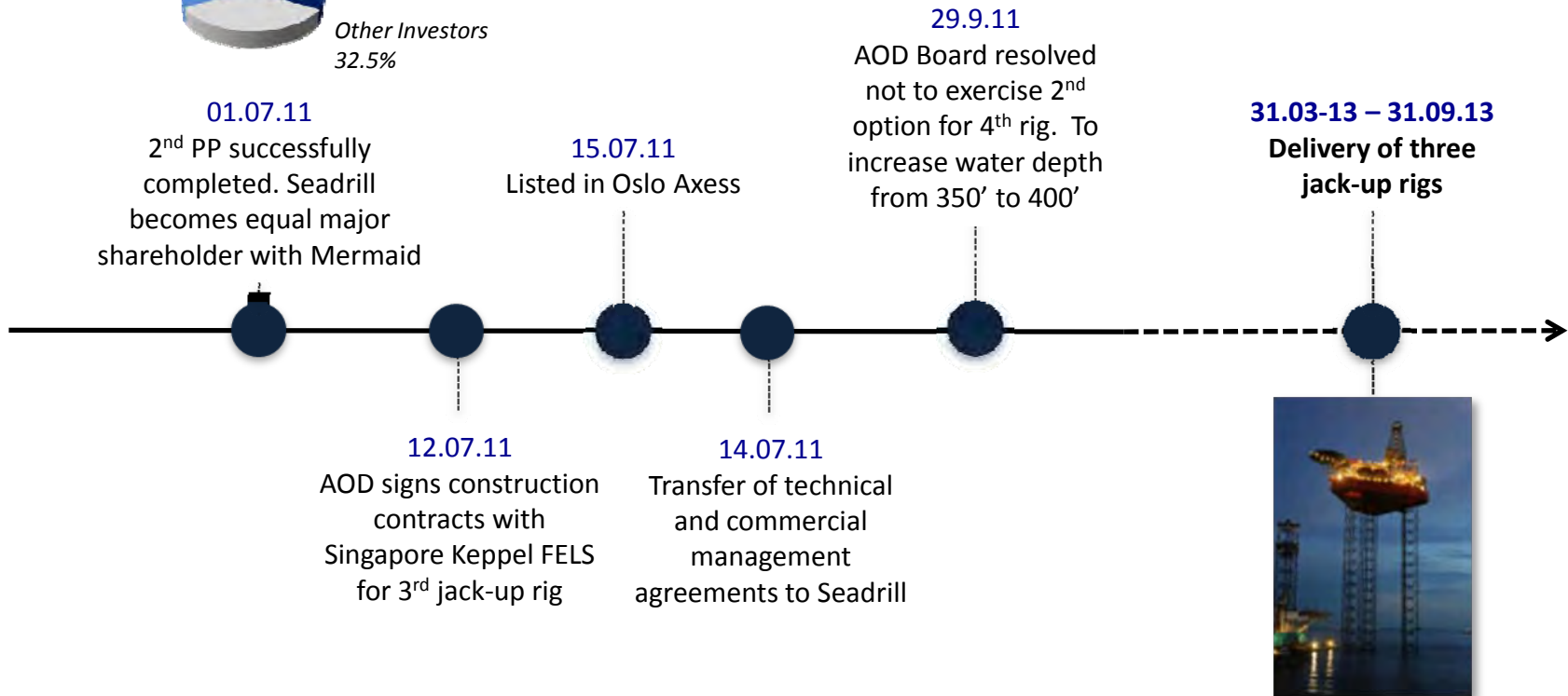
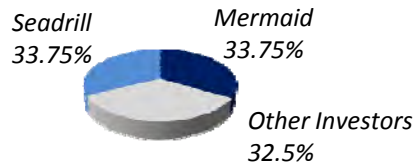


## 4. Asia Offshore Drilling Overview

*Howard Woon*

*Head, Investor Relations*

# Asia Offshore Drilling - Update



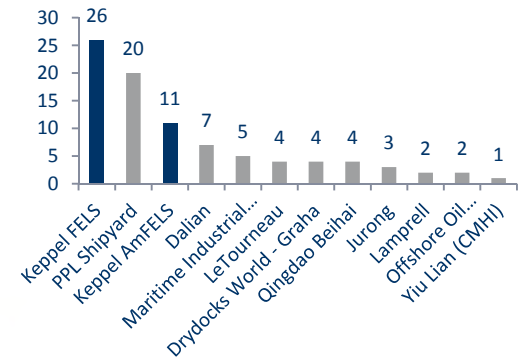
- AOD Board resolved not to exercise option for 2<sup>nd</sup> option for 4<sup>th</sup> jack-up rig
- Decided to increase water depth to 400' to increase marketability of the rigs, allowing them to operate in more areas. Total investment is estimated at USD 5 mil per rig
- Turnkey contract for delivery of three jack-up rigs in 1Q, 2Q and 3Q of calendar year 2013

# The KFELS MOD V B-Class Design

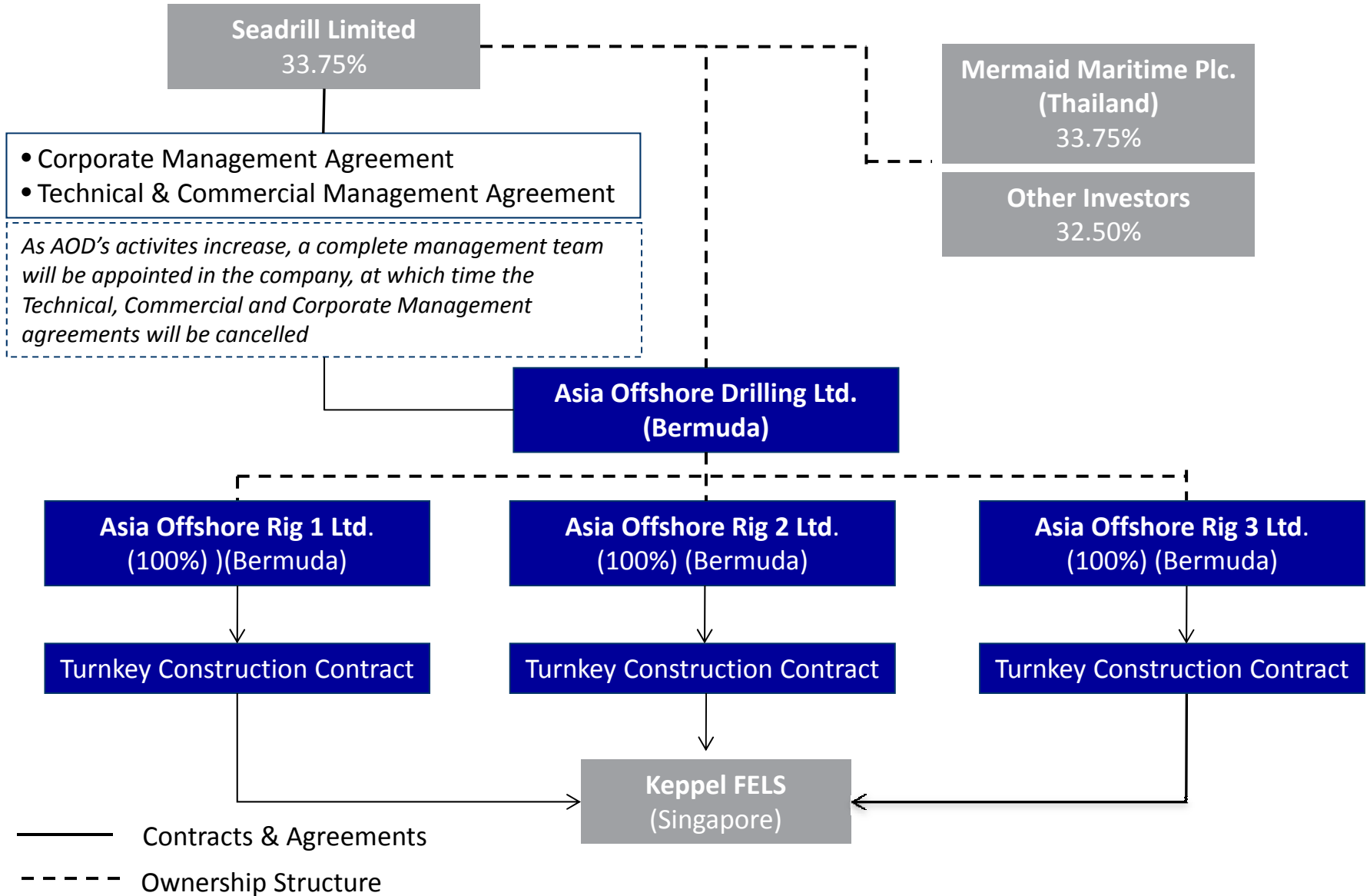


*Proven design and solid track record with wide geographical application. Preferred design by major drilling companies. 24 MOD V B-Class delivered by KFELS since 2006 with zero late deliveries and 14 ahead of schedule*

**Potential markets for the KFELS MOD V B-Class Rigs**

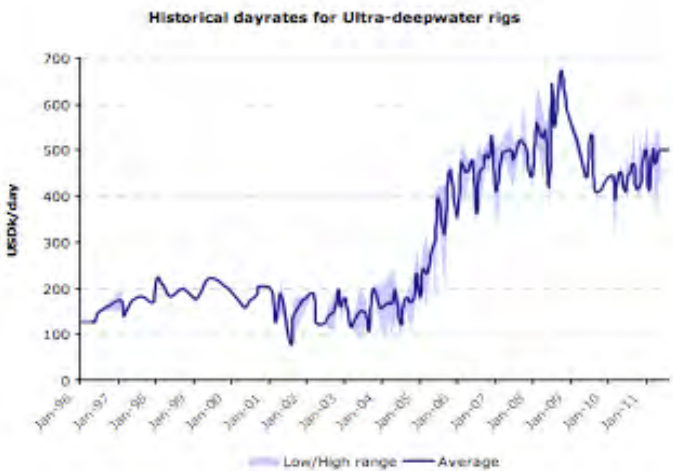


# Asia Offshore Drilling – Company Structure





# Market Outlook

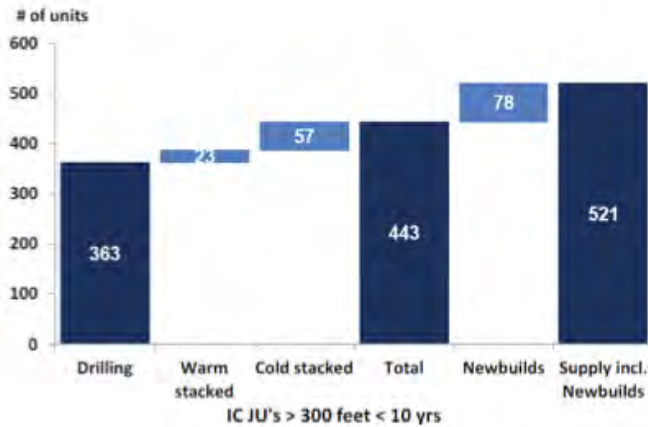


- *Oil prices remain at historically high levels, with higher growth in E&P spending*
- *Continue to see strong demand for high specification units that offer superior technical capabilities, operational flexibility and reliability*
- *Utilization is increasing for all asset classes and we observe significant 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*

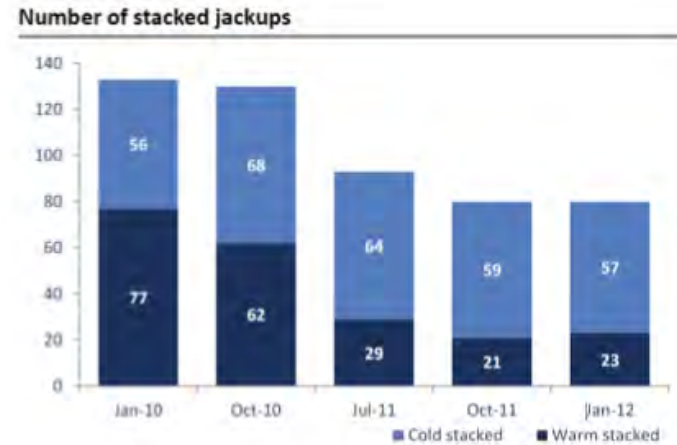
# Jack Up Market Development



## Jack Up Fleet Expansion



## Development in No. of Jack Ups



## Average Day Rates Jack Ups



## Average Utilization Rates Jack Ups





## 5. Financial Overview

*Siriwan Chamnannarongsak*  
*Finance Director*

# Financial Highlight FY2011



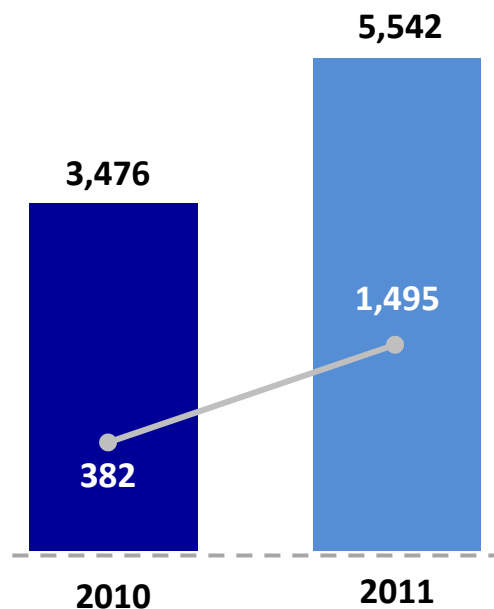
## Year on Year Comparison

Revenue (in THB millions)

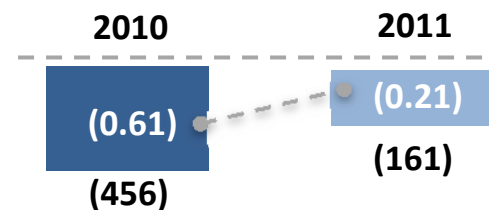
Operating Cash Flow before change in working capital (in THB millions)

Net Profit (Loss) (in THB millions)

Basic and Diluted EPS



**Revenue Growth & Operating Cash Flow**

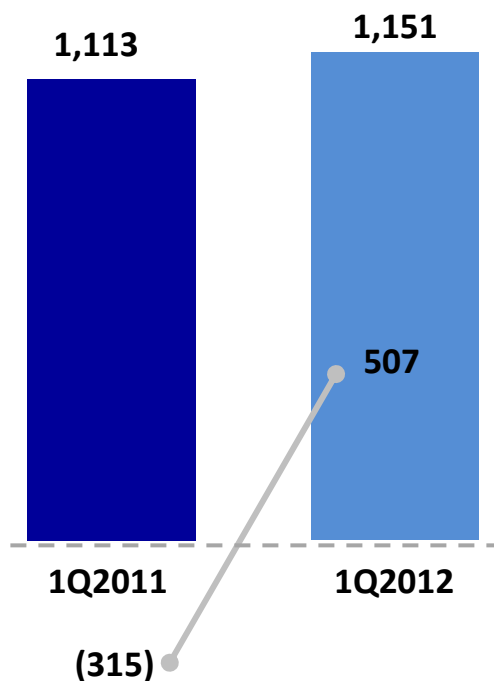


**Net Profit (Loss) Growth/Decline & Basic and Diluted EPS**

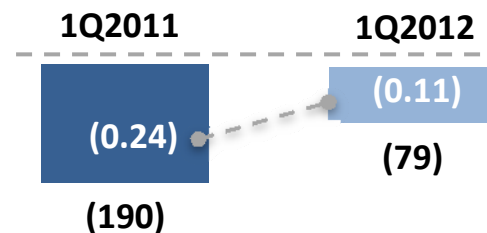
# Financial Highlights 1Q2012



## Year on Year Comparison



**Revenue Growth/Decline  
& Operating Cash Flow**





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

*Not to scale. For illustrative purpose only*

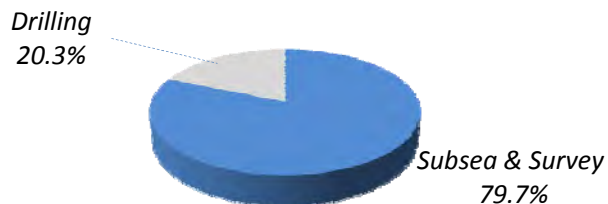
# 1Q2012 Sector Breakdown



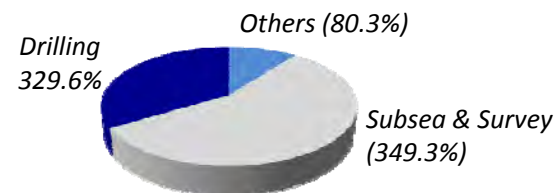
	Description	Service Income	Operating Profit/Loss	Operating Margin	Utilization Rate*
<b>Subsea &amp; Survey Services</b> 	Inspection, repair and maintenance; Infrastructure installation; Deepwater ROV support; Emergency call out services; Salvage, Marine Survey & Positioning	1Q2011: 845.8 1Q2012: 917.5	1Q2011: (134.3) 1Q2012: (54.1)	1Q2011: (15.9%) 1Q2012: (5.8%)	1Q2011: 49.2% 1Q2012: 55.3%
<b>Drilling Services</b> 	Floating rigs, Accommodation rigs	1Q2011: 266.8 1Q2012: 233.9	1Q2011: 47.3 1Q2012: 50.1	1Q2011: 17.7% 1Q2012: 21.4%	1Q2011: 50.0% 1Q2012: 44.6%

Revenue Breakdown

1Q2012



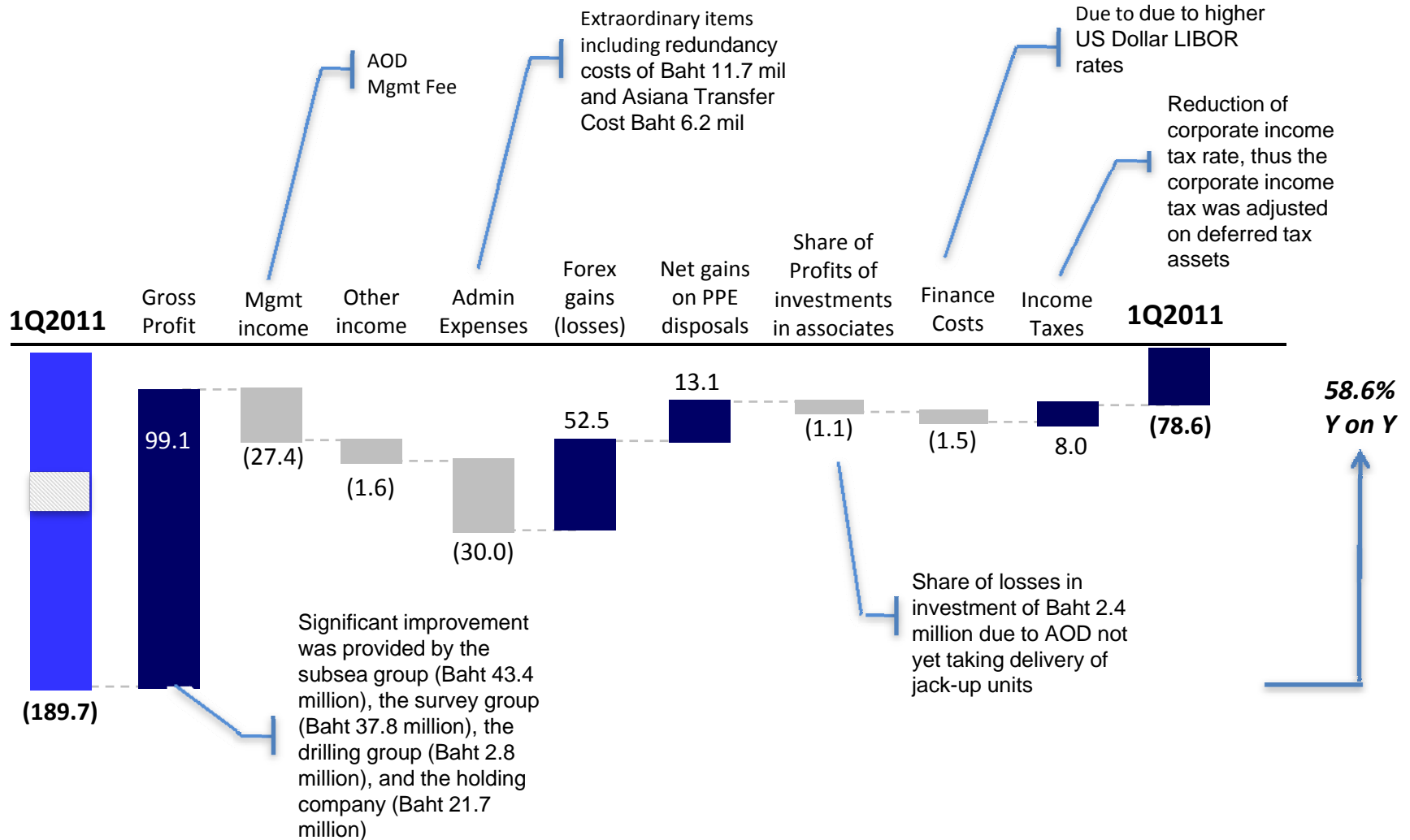
Operating Profit/Loss Breakdown



# 1Q2012 Profits & Losses



All units in THB millions

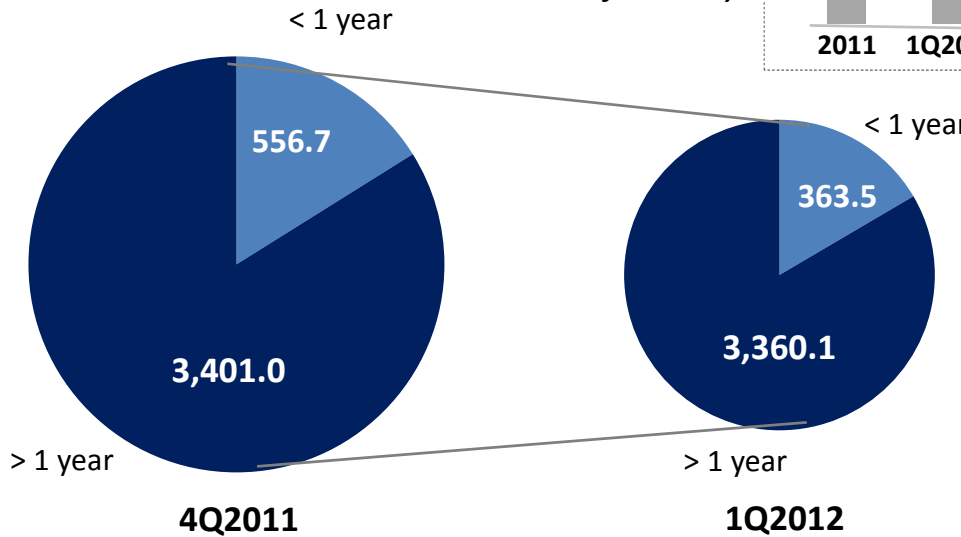




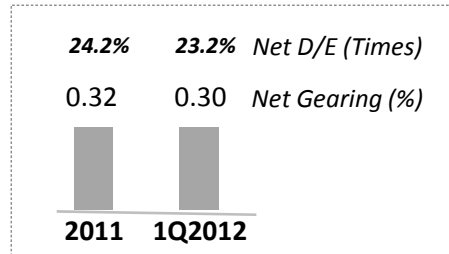
# Debt structure

Units in THB millions

## Loan Maturity

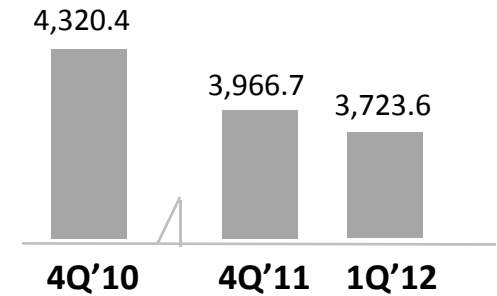


Low D/E ratio  
allows financial  
flexibility



## Total Loans Outstanding

Management  
continues to reduce  
total debt 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
	40.3	7.8	9.7	9.0	11.0	13.0	13.1	16.0	31.0	21.0

Remark: Exchange rate for conversion of loans in THB to USD was Baht 31.6912: USD 1  
Not to scale. For illustrative purpose only

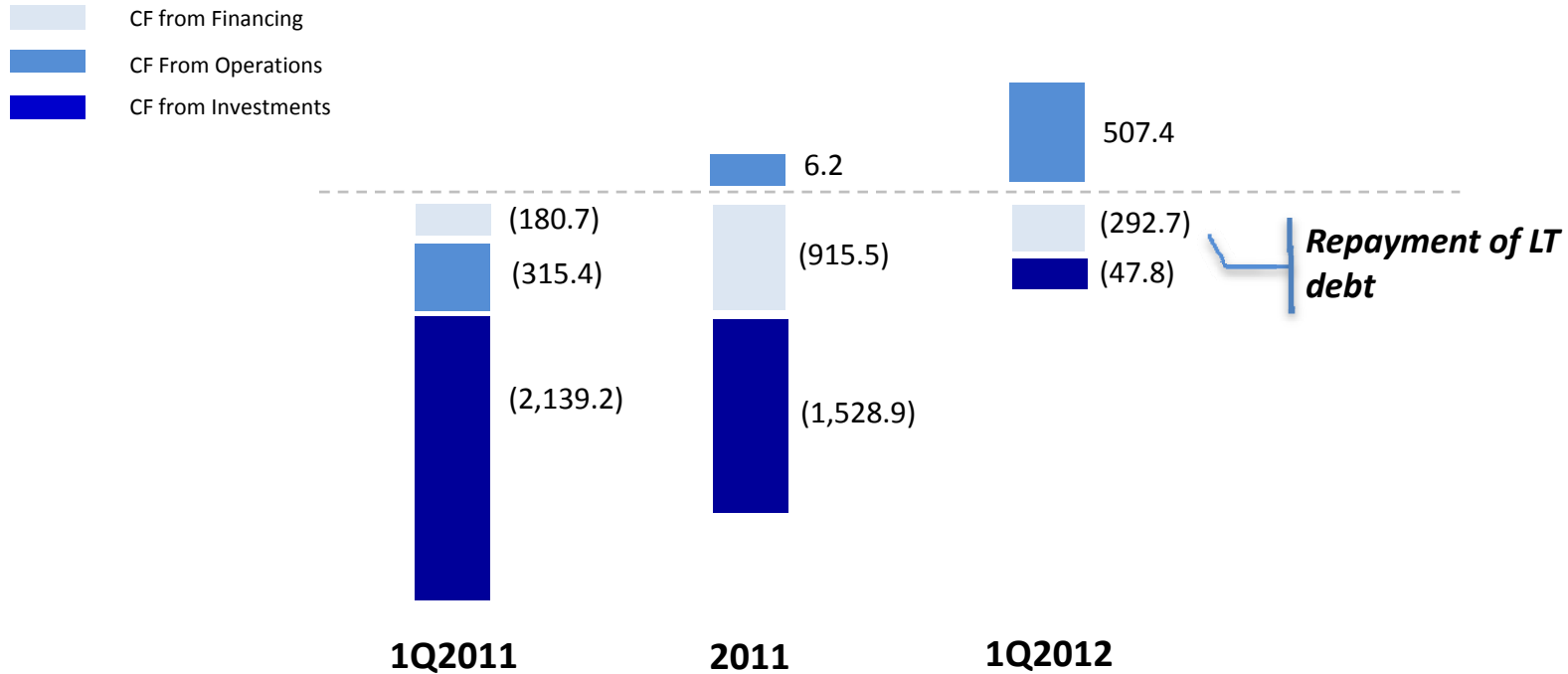




# Cash flow

Cash & Cash Equivalents	1,065.2	1,352.4	1,563.4	Cash and cash equivalents increased 15.6 % by Baht 211.0 million
Short-Term Investments (fixed deposits)	1,198.4	-	-	
Restricted Deposits at Financial Institutions	-	330.6	336.2	

All units in THB millions





## 6. Summary & Conclusion

*Bruce M. Gemmell*  
*Chief Executive Officer*



# 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 major clients in the region

## ***Solid assets, technical & operational capability and competencies***

- IMCA compliant; provided diving services to major operators in the global oil & gas industry
- Received numerous safety and operational excellence awards from clients which is a critical component of successful international expansion and world –class reputation

## ***New management team will drive growth and value-added service contracts***

- Highly experienced management team with an average of over 20 years each in the industry
- Mermaid Group management to enhance commercial and project management capabilities
- Commercial and business development hub established in Singapore to raise Mermaid Group's profile with customers

## ***Investment in AOD to drive future revenue growth***

- 3 jack-up rigs ordered with Keppel FELS at favorable price and payment terms (20/80)
- Solid reputable partner in Seadrill Limited, world leading drilling contractor to achieve economies of scale and leverage on considerable marketing reach and client network
- Recent jack-up transactions indicate that AOD's 3 jack-up rigs are firmly in the money

## ***Improving market outlook***

- Oil price near historical highs, resulting in sanctioning of IOM CAPEX budgets allocated for E&P
- Improving utilization for subsea fleet and tender rigs to drive revenue growth in 2012

## ***Robust balance sheet and prudent financial management***

- The Company continues to maintain a low DE ratio and strong cash position
- Financial flexibility allows us to participate in meaningful opportunities e.g. AOD
- Generating strong cash flow from operations



## 7. Questions & Answers