

MERMAID MARITIME PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION (UNAUDITED)**

31 MARCH 2012



AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and Company statements of financial positions as at 31 March 2012, the related consolidated and Company statements of comprehensive income for the three-month and six-month periods that ended on 31 March 2012 and 2011, statements of changes in shareholders' equity, and cash flows for the six-month periods that ended 31 March 2012 and 2011, and condensed notes to interim financial information of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Statement of financial position as at 30 September 2011 presented for comparative purpose

I have audited the consolidated and Company financial statements for the year that ended 30 September 2011 of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, respectively, in accordance with Standards on Auditing and expressed an unqualified opinion on those statements in my report dated 25 November 2011. The consolidated and Company statements of financial position as at 30 September 2011, presented for comparative purposes, are parts of the consolidated and Company financial statements. I have not performed any other auditing procedures subsequent to the date of that report.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Ltd.

Bangkok
14 May 2012

Mermaid Maritime Public Company Limited
Statements of Financial Positions
As at 31 March 2012 and 30 September 2011

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	31 March 2012	30 September 2011	31 March 2012	30 September 2011
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Assets				
Current assets				
Cash and cash equivalents	2,297,243	1,352,380	675,358	377,635
Restricted deposits at financial institutions	191,388	206,484	-	-
Trade accounts receivable - others, net	753,804	1,661,898	-	-
Amounts due from related parties	11.2	33	467,919	412,054
Short-term loans to related parties	11.3	-	4,574,772	4,933,109
Supplies and spare parts	137,399	137,926	-	-
Other current assets	214,518	136,801	8,195	13,743
Total current assets	3,594,352	3,495,522	5,726,244	5,736,541
Non-current assets				
Restricted deposits at financial institutions	122,797	124,110	-	-
Investments in subsidiaries	5.1	-	4,970,999	4,970,999
Investments in associates	5.2	1,857,154	1,903,814	1,903,814
Property, plant, and equipment, net	6	10,843,820	11,122,394	170,644
Goodwill	332,279	332,279	-	-
Intangible assets, net	15,165	16,206	1,001	1,256
Deferred expenses	27,697	29,375	-	-
Deferred tax assets, net	93,770	99,437	-	-
Other non-current assets	9,345	22,739	690	864
Total non-current assets	13,302,027	13,608,581	7,039,613	7,047,577
Total assets	16,896,379	17,104,103	12,765,857	12,784,118

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
 Statements of Financial Positions (Cont'd)
 As at 31 March 2012 and 30 September 2011

	Notes	Consolidated		Company	
		Unaudited 31 March 2012 Baht'000	Audited 30 September 2011 Baht'000	Unaudited 31 March 2012 Baht'000	Audited 30 September 2011 Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - others		143,476	187,295	-	-
Trade accounts payable - related parties	11.2	2,028	2,970	-	-
Other accounts payable		39,805	54,156	3,412	5,758
Amounts due to related parties	11.2	22,107	12,530	1,139,639	1,141,526
Current portion of long-term loans from financial institutions	7	178,370	556,747	-	-
Current portion of finance lease liabilities		1,385	1,744	1,170	1,170
Income taxes payable		31,843	19,684	-	-
Accrued expenses		195,368	279,906	4,726	7,759
Current portion of employee benefit obligations		16,128	61,031	-	-
Other current liabilities		42,214	50,482	9,467	10,681
Total current liabilities		672,724	1,226,545	1,158,414	1,166,894
Non-current liabilities					
Long-term loans from financial institutions	7	3,989,429	3,409,963	-	-
Finance lease liabilities		2,301	3,277	781	1,366
Employee benefit obligations		25,685	22,703	3,660	2,908
Total non-current liabilities		4,017,415	3,435,943	4,441	4,274
Total liabilities		4,690,139	4,662,488	1,162,855	1,171,168
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares					
791,213,843 shares of par					
Baht 1 each					
		791,214	791,214	791,214	791,214
Issued and paid-up share capital					
Ordinary shares					
784,747,743 shares of paid-up					
Baht 1 each					
		784,748	784,748	784,748	784,748
Premium on share capital		9,818,420	9,818,420	9,818,420	9,818,420
Exchange differences on translating financial statements		(235,993)	(197,695)	-	-
Retained earnings					
Appropriated - legal reserves					
		78,475	78,475	78,475	78,475
Unappropriated					
		1,655,950	1,858,659	921,359	931,307
Equity attributable to owners of the parent		12,101,600	12,342,607	11,603,002	11,612,950
Non-controlling interests		104,640	99,008	-	-
Total shareholders' equity		12,206,240	12,441,615	11,603,002	11,612,950
Total liabilities and shareholders' equity		16,896,379	17,104,103	12,765,857	12,784,118

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month periods that ended on 31 March 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
Note	Baht'000	Baht'000	Baht'000	Baht'000
Service income	995,554	1,144,100	-	-
Cost of services	(900,539)	(1,203,857)	-	-
Gross profits (losses)	95,015	(59,757)	-	-
Management fee income	-	55,982	22,695	100,082
Interest income	1,714	899	32,515	22,077
Other income	7,910	3,962	2,930	3,273
Administrative expenses	(180,803)	(152,286)	(45,563)	(36,593)
Gains (losses) on exchange rates	28,883	462	(100,559)	28,422
Net gains (losses) on disposals, write-offs and impairment losses of property, plant, and equipment and intangible assets	(839)	1,717	-	-
Operating profits (losses)	(48,120)	(149,021)	(87,982)	117,261
Share of losses of investments in associates	(2,440)	(1,291)	-	-
Profits (losses) before finance costs and income taxes	(50,560)	(150,312)	(87,982)	117,261
Finance costs	(47,444)	(48,193)	-	(210)
Profits (losses) before income taxes	(98,004)	(198,505)	(87,982)	117,051
Income taxes	(18,929)	(20,099)	-	-
Profits (losses) for the period	(116,933)	(218,604)	(87,982)	117,051
Other comprehensive income (expenses):				
Exchange differences on translating financial statements	(24,248)	10,669	-	-
Total comprehensive income (expenses) for the period	(141,181)	(207,935)	(87,982)	117,051
Profits (losses) attributable to:				
Owners of the parent	(117,301)	(214,697)	(87,982)	117,051
Non-controlling interests	368	(3,907)	-	-
	(116,933)	(218,604)	(87,982)	117,051
Total comprehensive income (expenses) attributable to:				
Owners of the parent	(139,375)	(204,858)	(87,982)	117,051
Non-controlling interests	(1,806)	(3,077)	-	-
	(141,181)	(207,935)	(87,982)	117,051
Earnings (losses) per share	8			
Basic and diluted earnings (losses) per share (Baht)	(0.15)	(0.27)	(0.11)	0.15

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the six-month periods that ended on 31 March 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Service income		2,146,965	2,256,609	-	-
Cost of services		(1,925,087)	(2,288,635)	-	-
Gross profits (losses)		221,878	(32,026)	-	-
Management fee income	11.1	-	83,376	45,390	171,576
Dividend income	11.1	-	-	-	1,400,540
Interest income		4,268	2,335	67,440	43,734
Other income		9,065	7,785	5,704	6,632
Administrative expenses		(364,119)	(305,557)	(89,382)	(70,706)
Gains (losses) on exchange rates		65,289	(15,621)	(39,100)	(29,030)
Net gains (losses) on disposals, write-offs and impairment losses of property, plant, and equipment and intangible assets		257	(10,268)	-	-
Operating profits (losses)		(63,362)	(269,976)	(9,948)	1,522,746
Share of losses of investments in associates	5.2	(4,887)	(2,644)	-	-
Profits (losses) before finance costs and income taxes		(68,249)	(272,620)	(9,948)	1,522,746
Finance costs		(92,615)	(91,809)	-	(467)
Profits (losses) before income taxes		(160,864)	(364,429)	(9,948)	1,522,279
Income taxes		(34,655)	(43,872)	-	-
Profits (losses) for the period		(195,519)	(408,301)	(9,948)	1,522,279
Other comprehensive expenses:					
Exchange differences on translating financial statements		(39,856)	(2,075)	-	-
Total comprehensive income (expenses) for the period		(235,375)	(410,376)	(9,948)	1,522,279
Profits (losses) attributable to:					
Owners of the parent		(202,709)	(402,425)	(9,948)	1,522,279
Non-controlling interests		7,190	(5,876)	-	-
		(195,519)	(408,301)	(9,948)	1,522,279
Total comprehensive income (expenses) attributable to:					
Owners of the parent		(241,007)	(405,081)	(9,948)	1,522,279
Non-controlling interests		5,632	(5,295)	-	-
		(235,375)	(410,376)	(9,948)	1,522,279
Earnings (losses) per share	8				
Basic and diluted earnings (losses) per share (Baht)		(0.26)	(0.51)	(0.01)	1.94

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Statements of Changes in Shareholders' Equity (Unaudited)
For the six-month periods that ended on 31 March 2012 and 2011

	Consolidated						Bahr' 000	
	Attributable to owners of the parent						Non- controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other components of equity Other comprehensive expenses Exchange differences on translating financial statements	Total owners of the parent		
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	1,858,659 (202,709)	(197,695)	12,342,607 (202,709)	99,008 7,190	12,441,615 (195,519)
Net profits (losses) for the period	-	-	-	-	-	-	-	-
Exchange differences on translating financial statements	-	-	-	-	(38,298)	(38,298)	(1,558)	(39,856)
Ending balance as at 31 March 2012	784,748	9,818,420	78,475	1,655,950	(235,993)	12,101,600	104,640	12,206,240

	Company				Bahr' 000
	Company				Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	
Beginning balance as at 1 October 2011	784,748	9,818,420	78,475	931,307 (9,948)	11,612,950 (9,948)
Net losses for the period	-	-	-	-	-
Ending balance as at 31 March 2012	784,748	9,818,420	78,475	921,359	11,603,002

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the six-month periods that ended on 31 March 2012 and 2011

	Consolidated						Bahr' 000
	Attributable to owners of the parent						
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Unappropriated retained earnings	Other components of equity Other comprehensive expenses Exchange differences on translating financial statements	Total owners of the parent	
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	2,519,918 (402,425)	(270,702)	12,892,101 (402,425)	12,981,789 (408,301)
Net losses for the period	-	-	-	(455,154)	-	(455,154)	(455,154)
Dividends paid	-	-	-	-	-	-	-
Exchange differences on translating financial statements	-	-	-	-	(2,656)	(2,656)	581
Legal reserve	-	-	38,758	(38,758)	-	-	-
Ending balance as at 31 March 2011	784,748	9,818,420	78,475	1,623,581	(273,358)	12,031,866	12,116,259

	Company				Bahr' 000
	Unappropriated retained earnings (deficit)				
	Issued and paid-up share capital	Premium on share capital	Legal reserves	Total shareholders' equity	
Beginning balance as at 1 October 2010	784,748	9,818,420	39,717	(207,604)	10,435,281
Net profits for the period	-	-	-	1,522,279	1,522,279
Dividends paid	-	-	-	(455,154)	(455,154)
Legal reserve	-	-	38,758	(38,758)	-
Ending balance as at 31 March 2011	784,748	9,818,420	78,475	820,763	11,502,406

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods that ended on 31 March 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Cash flows from operating activities					
Profits (losses) before income taxes		(160,864)	(364,429)	(9,948)	1,522,279
Adjustments for:					
Depreciation	6.1	436,019	498,582	8,258	8,952
Amortisation of intangible assets		4,217	4,787	278	410
Finance costs		92,615	91,809	-	467
Net (gains) losses on disposals, write-offs, and impairment losses of property, plant, and equipment and intangible assets		(257)	10,268	-	-
Realised (gains) losses on exchange rates		(39,018)	(8,956)	4,130	24,902
Unrealised (gains) losses on exchange rates		(26,271)	24,577	34,970	4,128
Employee benefit obligations		15,522	34,672	752	447
Dividend income	11.1	-	-	-	(1,400,540)
Losses from write-off withholding taxes		10,449	-	9,401	-
Share of losses of investments in associates	5.2	4,887	2,644	-	-
Exchange rates (gains) losses from translation of overseas subsidiaries		(51,894)	1,730	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)					
- Restricted deposits at financial institutions		12,942	-	-	-
- Trade accounts receivable - others		930,161	(511,844)	-	-
- Trade accounts receivable - related parties		-	169	-	-
- Amounts due from related parties		33	(48,923)	(68,869)	(174,866)
- Supplies and spare parts		527	(4,038)	-	-
- Other current assets		(78,392)	(37,160)	(2,475)	(3,132)
- Deferred expenses		1,679	5,798	-	-
- Other non-current assets		13,396	35,812	174	(751)
- Trade accounts payable - others		(39,738)	87,804	-	-
- Trade accounts payable - related parties		(943)	(4,027)	-	26
- Other accounts payable		(13,696)	(65,798)	(2,207)	4,556
- Amounts due to related parties		9,578	1,952	11,780	(690,974)
- Accrued expenses		(82,586)	36,396	(3,033)	(2,770)
- Other current liabilities		(10,079)	65,119	(1,214)	27,497
Cash generated from operations		1,028,287	(143,056)	(18,003)	(679,369)
- Finance costs paid		(90,842)	(83,980)	-	(467)
- Income taxes paid		(28,396)	(20,636)	(1,378)	(579)
- Employee benefits paid		(56,464)	(43,314)	-	-
Net cash inflows (outflows) from operating activities		852,585	(290,986)	(19,381)	(680,415)

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the six-month periods that ended on 31 March 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities				
Short-term loans received from related parties	-	-	324,334	498,248
Short-term loans provided to related parties	-	-	-	(705,647)
Payments for short-term investments	-	(597,775)	-	(597,775)
Proceeds from short-term investments	-	298,731	-	298,731
Payments for investments in associate	-	(1,456,631)	-	(1,456,631)
Proceeds from disposals of property, plant, and equipment and intangible assets	1,996	22,721	-	-
Payments for purchases of property, plant, and equipment	(147,113)	(101,335)	(723)	(9,618)
Payments for purchases of intangible assets	(4,571)	(4,360)	(23)	(1,789)
Net cash inflows (outflows) from investing activities	(149,688)	(1,838,649)	323,588	(1,974,481)
Cash flows from financing activities				
Repayments of finance lease liabilities	(1,234)	(1,333)	(585)	-
Proceeds from long-term loans from financial institutions	7 1,405,751	-	-	-
Repayments of long-term loans from financial institutions	7 (1,157,157)	(552,844)	-	(12,400)
Dividends paid to shareholders	-	(455,154)	-	(455,154)
Net cash inflows (outflows) from financing activities	247,360	(1,009,331)	(585)	(467,554)
Net increase (decrease) in cash and cash equivalents	950,257	(3,138,966)	303,622	(3,122,450)
Cash and cash equivalents at the beginning of the period	1,352,380	3,742,938	377,635	3,375,758
Effects of exchange rates	(5,394)	(30,801)	(5,899)	(32,446)
Cash and cash equivalents at the end of period	2,297,243	573,171	675,358	220,862

Non-cash transactions

During the six-month periods that ended on 31 March 2012 and 2011, the following significant non-cash transactions occurred:

Unpaid liabilities from purchases of equipment	6,851	65,815	-	-
Unpaid liabilities under finance lease agreements for purchase of computer hardware	-	3,121	-	3,121

The notes on pages 10 to 23 are an integral part of these interim consolidated and Company financial information.

1 General information

Mermaid Maritime Public Company Limited (“the Company”) is a public company limited which is incorporated in Thailand and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of its registered office is as follows:

26/28-29 Orakarn Building, 9th floor
Soi Chidlom, Ploenchit Road
Kwaeng Lumpinee, Khet Pathumwan
Bangkok 10330, Thailand.

The Company and its subsidiaries (“the Group”) provide a wide range of services to the offshore oil & gas industries. The scope of services comprises sub-sea engineering and inspection by divers and remotely operated vehicle (“ROV”) systems, non-destructive testing, and ownership and operation of a fleet of offshore service vessels and tender drilling rigs.

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand and listed in the Stock Exchange of Thailand.

These interim consolidated and Company financial information have been approved for issue by the Board of Directors on 14 May 2012.

These interim consolidated and Company financial information have been reviewed and are not audited.

2 Basis of preparation

These interim consolidated and Company financial information have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547. The primary financial information (i.e., statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting”.

These interim consolidated and Company financial information should be read in conjunction with the 2011 annual financial statements.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

3 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year that ended on 30 September 2011, except as described in Notes 3.1 and 3.2.

3 Summary of significant accounting policies (Cont'd)

New Thai accounting standards ("TAS"), new financial reporting standards, new interpretations, and amendments to accounting standards

3.1 New Thai accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards are effective for the periods beginning on or after 1 January 2011 and adopted by the Group, excepted for IAS 16 "Property, Plant and Equipment" and IAS 19 "Employee Benefits" which the Group has adopted since the fiscal year 2007. TAS 16 (Revised 2009) and TAS 19 are equivalent to IAS 16 and IAS 19 respectively.

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related-Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held-for-sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

- TAS 1 (Revised 2009): The revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of income and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning of the comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011, and which period is the first to apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 October 2011. The Group chooses to present a single statement of comprehensive income.
- TAS 23 (Revised 2009): The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs was removed. The Group has adopted the standard prospectively from 1 October 2011 but it is not expected to have any impact on the Group's financial statement, because the Group has already applied the capitalised model.

3 Summary of significant accounting policies (Cont'd)

New Thai accounting standards (“TAS”), new financial reporting standards, new interpretations, and amendments to accounting standards (Cont'd)

- TAS 24 (Revised 2009): The definition of ‘related party’ has been expanded to include parties with joint control over the entity, a joint venture in which the entity is a venture, and a post-employment benefit plan for the benefit of employees of an entity. The Group has adopted the revised standard with effect from 1 October 2011, which may have an impact only on the disclosure of related parties’ information in the notes to financial statements.
- TAS 27 (Revised 2009): The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has adopted the standard prospectively for transactions with non-controlling interests with effect from 1 October 2011.
- TAS 28 (Revised 2009): On the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gains or losses in profit or loss. The Group has adopted the revised standard with effect from 1 October 2011.
- TAS 38 (Revised 2009): The revised standard clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has a similar useful economic life. The Group has adopted the revised standard with effect from 1 October 2011. The standard will not result in a material impact on the Group or Company’s financial statements.
- TFRS 3 (Revised 2009): The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed. The Group has adopted the revised standard prospectively to all business combinations with effect from 1 October 2011.

3.2 New Thai accounting standards, amendments to accounting standards, and new interpretations are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group has not early adopted them, excepted for IAS 12 “Income Taxes” which the Group has adopted since the fiscal year 2007. TAS 12 is equivalent to IAS 12.

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3 Summary of significant accounting policies (Cont'd)

New Thai accounting standards (“TAS”), new financial reporting standards, new interpretations, and amendments to accounting standards (Cont'd)

- **TAS 21 (Revised 2009):** The revised standard requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary items denominated in foreign currencies are recognised in profit or loss. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard commencing 1 January 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.
- **TFRS 8:** The standard requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change to be consistent with the internal reporting provided to the chief operating decision-maker.

Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the six-month periods that ended on 31 March 2012 and 2011

4 Business segment information

The segment results for the six-month periods that ended on 31 March 2012 and 2011 are as follows:

	Consolidated					Baht'000
	For the six-month period that ended on 31 March 2012					
	MOS group	Drilling group	Subtech group	Seascope group	Holding	Group
Total service income	1,181,248	428,411	585,958	588,252	-	2,783,869
Inter-segment service income	(92,163)	-	(392,977)	(151,764)	-	(636,904)
Service income	1,089,085	428,411	192,981	436,488	-	2,146,965
Operating profits (losses)	(109,523)	40,640	5,700	44,160	(44,339)	(63,362)
Finance costs						(92,615)
Income taxes						(34,655)
Share of losses from associates						(4,887)
Net losses for the period						(195,519)

Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the six-month periods that ended on 31 March 2012 and 2011

4 Business segment information (Cont'd)

The segment results for the six-month periods that ended on 31 March 2012 and 2011 are as follows: (Cont'd)

	Consolidated					Baht'000
	For the six-month period that ended on 31 March 2011					
	MOS group	Drilling group	Subtech group	Seascope group	Holding	Group
Total service income	1,554,228	536,933	416,043	265,923	-	2,773,127
Inter-segment service income	(270,063)	(27,491)	(155,627)	(63,337)	-	(516,518)
Service income	1,284,165	509,442	260,416	202,586	-	2,256,609
Operating profits (losses)	(384,710)	89,298	50,944	(20,501)	(5,007)	(269,976)
Finance costs						(91,809)
Income taxes						(43,872)
Share of losses from associates						(2,644)
Net losses for the period						(408,301)

5 Investments in subsidiaries and associates

Investments in subsidiaries and associates comprise investments in the following companies:

Name	Classification	Country of incorporation	Percentage of holding	
			As at 31 March 2012	As at 30 September 2011
Mermaid Offshore Services Ltd., which has ten subsidiaries as follows:	Subsidiary	Thailand	100.0	100.0
Nemo Subsea AS	Subsidiary	Norway	100.0	100.0
Nemo Subsea IS	Subsidiary	Norway	97.0 ⁽¹⁾	97.0 ⁽¹⁾
Seascope Surveys (Thailand) Ltd.	Subsidiary	Thailand	80.0	80.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore	80.0	80.0
PT Seascope Surveys Indonesia	Subsidiary	Indonesia	97.0	97.0
Subtech Ltd., which has two subsidiaries as follows:	Subsidiary	Seychelles	100.0	100.0
Subtech Qatar Diving and Marine Services LLC	Subsidiary	Qatar	97.0	97.0
Subtech Saudi Arabia Limited	Subsidiary	Saudi Arabia	70.0	70.0
Mermaid Offshore Services PTY LTD	Subsidiary	Australia	100.0	100.0
Mermaid Offshore Services Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Subsidiary	Thailand	95.0	95.0
MTR-1 Ltd.	Subsidiary	Thailand	100.0	100.0
MTR-2 Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	Subsidiary	Malaysia	100.0	100.0
MTR-1 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
MTR-2 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Mermaid Training and Technical Services Ltd.	Subsidiary	Thailand	100.0	100.0
Mermaid Drilling (Singapore) Pte. Ltd., which has one subsidiary as follows:	Subsidiary	Singapore	100.0	100.0
MTR-3 (Singapore) Pte. Ltd.	Subsidiary	Singapore	100.0	100.0
Asia Offshore Drilling Limited, which has four subsidiaries as follows:	Associate	Bermuda	33.75	33.75
Asia Offshore Rig 1 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Rig 2 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Rig 3 Limited	Associate	Bermuda	100.0	100.0
Asia Offshore Drilling Pte. Ltd.	Associate	Singapore	100.0	100.0

⁽¹⁾ Investment portion of 97.0% represents Mermaid Offshore Services Ltd.'s direct ownership in Nemo Subsea IS. Another 3.0% of Nemo Subsea IS's interest is owned by Nemo Subsea AS.

5 Investments in subsidiaries and associates (Cont'd)

5.1 Investments in subsidiaries

The movement of investments in subsidiaries during the six-month period that ended on 31 March 2012 is as follows:

	<u>Company Baht'000</u>
Opening balance	5,237,264
<u>Less</u> Allowance for impairment loss of investments in a subsidiary	<u>(266,265)</u>
Opening net book amount	4,970,999
Movements	<u>-</u>
Closing net book amount	<u>4,970,999</u>

5.2 Investments in associates

The movement of investments in associates during the six-month period that ended on 31 March 2012 is as follows:

	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
Beginning balance	1,862,041	1,903,814
Share of losses of investments in associates	<u>(4,887)</u>	<u>-</u>
Ending balance	<u>1,857,154</u>	<u>1,903,814</u>

6 Property, plant, and equipment, net

- 6.1 The movements of property, plant, and equipment during the six-month period that ended on 31 March 2012 are as follows:

	Consolidated Baht'000	Company Baht'000
Opening net book amount	11,122,394	170,644
Additions	146,670	723
Disposals	(1,165)	-
Write-offs	(53)	-
Depreciation charges	(436,019)	(8,258)
Translation adjustments	11,993	-
Closing net book amount	<u>10,843,820</u>	<u>163,109</u>

Consolidated

The significant additions during the six-month period that ended on 31 March 2012 were:

- payments for dry-docking of vessel and drilling rig totalling Baht 97.29 million;
- payments for purchases of plant, vessels and rig equipment totalling Baht 24.17 million;
- payments for construction in progress of plant equipment totalling Baht 12.01 million.

- 6.2 Property, plant, and equipment as at 31 March 2012 and 30 September 2011 used as collateral for loan facilities can be summarised as follows:

There are land and buildings, two support vessels, and a tender rig that are mortgaged with various banks as collateral for their overdrafts and loans. These assets are mortgaged at a total value of Baht 1,360 million and USD 110 million (30 September 2011: Baht 1,583 million and USD 117.6 million in respect of land and buildings, three remotely operated vehicles, two support vessels, and a tender rig).

- 6.3 The depreciation charges during the six-month periods that ended on 31 March are as follows:

	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Depreciation charged to				
- Cost of service	423,005	484,264	-	-
- Administrative expenses	13,014	14,318	8,258	8,952
	<u>436,019</u>	<u>498,582</u>	<u>8,258</u>	<u>8,952</u>

During the six-month periods that ended on 31 March 2012, the Group has reviewed the estimated useful lives of the vessel and has revised the estimated useful lives of certain vessel components from 5-20 years to 5-30 years to be in line with the current use of assets. The effect from the change was reflected prospectively commencing the six-month periods that ended on 31 March 2012. The depreciation based on previous and new accounting estimates can be summarised as follows:

	Consolidated	
	Previous Accounting estimate Baht'000	New accounting estimate Baht'000
Depreciation charged for the six-month period that ended on 31 March 2012	<u>489,545</u>	<u>436,019</u>

7 Long-term loans from financial institutions

Long-term loans from financial institutions comprise:

	Consolidated		Company	
	31 March 2012 Baht'000	30 September 2011 Baht'000	31 March 2012 Baht'000	30 September 2011 Baht'000
Current portion of long-term loans	178,370	556,747	-	-
Long-term portion of loans	3,989,429	3,409,963	-	-
Loans from financial institutions	4,167,799	3,966,710	-	-

The movements of long-term loans from financial institutions for the six-month period that ended on 31 March 2012 are as follows:

	Consolidated Baht'000	Company Baht'000
Beginning balance	3,966,710	-
Additions during period	1,405,751	-
Repayments during period	(1,157,157)	-
Realised gains on exchange rates	(5,878)	-
Unrealised gains on exchange rates	(39,790)	-
Translation adjustments	(1,837)	-
Ending balance	4,167,799	-

As at 31 March 2012, the total outstanding amounts of long-term loans granted by local and overseas commercial banks are USD 134.5 million (30 September 2011: Baht 653.9 million and USD 105.9 million). Certain loans are secured by mortgages of the Group's assets as mentioned in Note 6.2 and are guaranteed by the Company and certain subsidiaries.

According to a condition of the loan agreements for all asset acquisitions, the Company and its subsidiaries are not allowed to create any encumbrance on the assets which are used as collateral, except for encumbrances created with the prior consent of the banks and permitted liens. The Company and its subsidiaries must comply with other conditions and restrictions stated in the term loan agreements.

Borrowing facilities

The Company's subsidiary has the following undrawn committed long-term borrowing facilities:

	31 March 2012	
	Consolidated USD Million	Company USD Million
Floating interest rate - expiring within one year	-	-
	30 September 2011	
	Consolidated USD Million	Company USD Million
Floating interest rate - expiring within one year	45	-

8 Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing the net profits (losses) attributable to the ordinary shareholders of the parent by the weighted average number of paid-up ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings (losses) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has an Employee Share Option Plan in issue.

A calculation is done to determine the potential number of shares that could have been acquired at market price (using the average share price of the Company's shares during the period) and the potential additional shares that would have been issued based on the outstanding Employee Share Option Plan. The potential shares are added to the ordinary shares outstanding, but no adjustment is made to net profit.

	For the three-month periods that ended on 31 March			
	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
Effect of dilutive potential ordinary shares Employee Shares Option Plan (Shares'000)	381	232	381	232
Weighted average number of ordinary shares for diluted earnings (losses) (Shares'000)	<u>785,129</u>	<u>784,980</u>	<u>785,129</u>	<u>784,980</u>
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	(117,301)	(214,697)	(87,982)	117,051
Basic earnings (losses) per share (Baht)	(0.15)	(0.27)	(0.11)	0.15
Diluted earnings (losses) per share (Baht)	(0.15)	(0.27)	(0.11)	0.15
	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2012	2011	2012	2011
Weighted average number of ordinary shares (Shares'000)	784,748	784,748	784,748	784,748
Effect of dilutive potential ordinary shares Employee Shares Option Plan (Shares'000)	361	295	361	295
Weighted average number of ordinary shares for diluted earnings (losses) (Shares'000)	<u>785,109</u>	<u>785,043</u>	<u>785,109</u>	<u>785,043</u>
Net profits (losses) for the period attributable to ordinary shareholders (Baht'000)	(202,709)	(402,425)	(9,948)	1,522,279
Basic earnings (losses) per share (Baht)	(0.26)	(0.51)	(0.01)	1.94
Diluted earnings (losses) per share (Baht)	(0.26)	(0.51)	(0.01)	1.94

9 Guarantees

As at 31 March 2012 and 30 September 2011, the Group and the Company have outstanding guarantees as follows:

	Consolidated					
	31 March 2012			30 September 2011		
	Baht'000	USD'000	QAR'000	Baht'000	USD'000	QAR'000
Letters of guarantee issued by banks in the normal course of business	25,600	802	15	15,600	689	-
Guarantee for long-term loans of subsidiaries to financial institutions	-	134,495	-	653,926	104,425	-
	Company					
	31 March 2012		30 September 2011			
	Baht'000	USD'000	Baht'000	USD'000		
Letters of guarantee issued by banks in the normal course of business		400	-	400		
Guarantee for long-term loans of subsidiaries to financial institutions		-	134,495	653,926	104,425	

10 Commitments

(a) Services agreement

As at 31 March 2012, the Group has two outstanding drilling services agreements. The remaining agreements periods are 5 months and 6 months.

(b) Other commitments

As at 31 March 2012, the Group has other commitments approximately Baht 63.2 million.

11 Related party transactions

Significant related party transactions are as follows:

11.1 Transactions with related parties

Significant related party transactions between the Company and its subsidiaries, associates, and other related parties which mean the group companies of Thoresen Thai Agencies Public Company Limited are as follows:

	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Revenues				
<u>Management fee income</u>				
Subsidiaries	-	-	45,390	88,200
Associates	-	83,376	-	83,376
	-	83,376	45,390	171,576
<u>Dividend income</u>				
Subsidiary	-	-	-	1,400,540
<u>Interest income</u>				
Subsidiaries	-	-	66,891	41,775
<u>Rental income</u>				
Subsidiaries	-	-	3,417	3,380
Other related party	163	932	163	932
	163	932	3,580	4,312
Expenses				
<u>Cost of services</u>				
Other related party	9,195	13,035	-	-
<u>Administrative expenses</u>				
Other related parties	12,040	1,935	9,011	1,935

There has been no significant change to the Group's policies in respect of related party transactions during the six-month period that ended on 31 March 2012.

11 Related party transactions (Cont'd)

11.2 Accounts receivable and payable - related parties

	Consolidated		Company	
	31 March 2012 Baht'000	30 September 2011 Baht'000	31 March 2012 Baht'000	30 September 2011 Baht'000
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	467,919	412,021
Other related parties	-	33	-	33
	-	33	467,919	412,054
<u>Trade accounts payable</u>				
Other related parties	2,028	2,970	-	-
<u>Amounts due to related parties</u>				
Subsidiaries	-	-	1,117,532	1,128,996
Other related parties	22,107	12,530	22,107	12,530
	22,107	12,530	1,139,639	1,141,526

11.3 Short-term loans to related parties

	Interest rate (%)	Consolidated		Company	
		31 March 2012 Baht'000	30 September 2011 Baht'000	31 March 2012 Baht'000	30 September 2011 Baht'000
Subsidiaries					
- Baht	2.75%	-	-	670,000	676,540
- US Dollar	2.75%	-	-	3,904,772	4,256,569
		-	-	4,574,772	4,933,109

All short-term loans to related parties are unsecured and have repayment terms at call.