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# Results Briefing

Third Financial Quarter, 2012\*

Analyst & Investor Update

*24 August 2012*



\*Financial Quarter ending 30 June 2012

# Disclaimer

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# Agenda

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- 1. Introduction**
- 2. Subsea Business Review**
- 3. Drilling Business Review**
- 4. Financial Review**
- 5. Questions and Answers**



# 1. Introduction

# 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** owned + **1** chartered-in  
subsea vessels



**5**  
saturation diving  
systems



**12**  
remotely  
operated vehicles



## DRILLING BUSINESS

**2**  
tender 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

# Key highlights

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- Mermaid achieved total revenue in 3Q2012 of Baht 1,752.9 mil, an increase of Baht 298.7 mil, or 20.4%, from Baht 1,454.2 million year-on-year\*("YoY"). Operating profits increased by Baht 113.1 mil, an improvement of 96.2% YoY.
- Combined with the revenue increase, Mermaid achieved gross profits of Baht 509.2 mil, an increase of Baht 230.5 mil, or 82.7% from Baht 278.6 mil YoY due to better utilisation in the subsea business.
- Revenue for subsea group increased by 18.7% YoY due to utilisation rates and average day rates remaining stable YoY. Drilling group reported revenue of Baht 318.1 mil, an increase of 30.0% YoY due to MTR-1 resuming operations as an accommodation barge post its special periodic survey.

\* as compared with the same period in the previous year i.e. 3Q2011

## Key highlights (...con' t)



- Mermaid generated strong cash flow from operations of Baht 953.2 mil, an increase from Baht -376.6 mil YoY reflecting improvements in both performance and working capital management.
- Mermaid has a reported contingent liability in the form of a loss from an interest rate swap contract which will mature in 4Q12. As of 3Q12 the net fair value of the contract was a USD -3.4m.
- In 3Q2012, Mermaid revamped Board of Directors to reflect the company's intentions going forward.
- New Board has formed an Executive Committee to increase oversight and participation in Mermaid's growth. A New CEO is being sourced to lead Mermaid to its next growth stage.



## **2. Subsea Business Review**



# Subsea Key Highlights

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- Subsea achieved asset utilisation of 81.8% in 3Q2012 versus 75.7% YoY, and revenue of Baht 1,433.7 mil, an increase of Baht 226.0 mil (18.7%) compared to 3Q2011. Average day rates remained stable YoY.
- Due to improved utilisation, tighter management control of project and vessel running costs, operating profits increased by Baht 67.1 mil to Baht 163.8 mil, an increase of 96.2% YoY.
- Mermaid Offshore Services Ltd. acquires remaining equity of 20% in Seascope Surveys Pte. Ltd. and Seascope Surveys (Thailand) Ltd. to bring the consolidation to 100%.
- The Group continues a subsea fleet optimisation strategy to focus on higher yielding vessels and increase market penetration in growth areas such as Malaysia, Indonesia, Middle East, and Africa.
- Most of the Group's subsea vessels are committed through the end of this FY2012.

# Subsea Key Highlights

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- Subtech has recently been awarded a subsea stabilisation contract in the Middle East. The work is strategic as the pipelines to be stabilised carry a large portion of daily export product from its source country. The contract is valued at circa USD 11.5 mil with performance expected to be completed by 1Q2013.
- Subtech is in progress to purchase an additional saturation diving system for circa USD 6.5 mil to support ongoing growth initiatives in the Middle East.
- Mermaid continues to expand subsea service offerings and has recently completed subsea cable laying for clients in APAC and the Middle East.



### **3. Drilling Business Review**

# Drilling Key Highlights

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- From 2008, MTR-2 has been contracted to work in Indonesia. MTR-2 is currently on a 6 month drilling program that commenced on 15 May 2012 with an estimated contract value of USD 16.1 mil. Upon contract completion, MTR-2 scheduled to undergo its compulsory special periodic survey, currently estimated to take approximately four months to complete.
- MTR-1 resumed operating as an accommodation barge support in Indonesia post its special periodic survey. It is a 6 month drilling program that commenced on 15 May 2012 with an estimated contract value of USD 4.9 mil.
- MDL continues to enjoy outstanding safety performance which will serve as strong reference for future tenders, recently achieving 2-year operations with no loss-time accident in Indonesia.
- The tender rig market is healthy with modern tender rigs achieving utilisation rates of 95% and older tender rigs achieving rates of up to 85%.

# Drilling Key Highlights

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- The industry utilisation rate for newer jack-up rigs (post 1990) with more than 300 ft water depth capacity, remains above 95% globally.
- Oil companies continue to show a preference for newer equipment because of superior technical capacities and operational flexibility.
- AOD jack up rigs under construction are on budget and slightly ahead of schedule with the first rig expected to be delivered by Dec '12. Capital raising initiatives for financing of delivery payments and operations are being reviewed.



## 4. Financial Review

# Financial Highlights 3Q2012



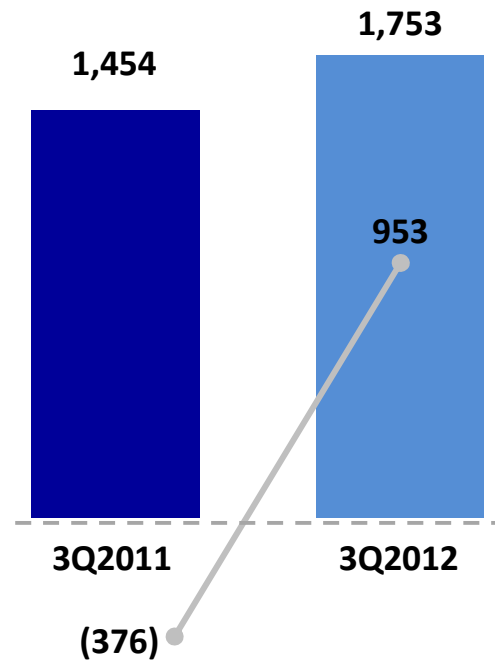
## Year on Year Comparison

3Q2012 Revenue (in THB millions)

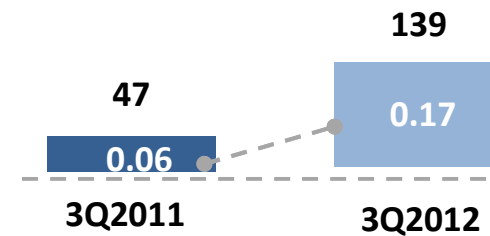
Operating Cash Flow  
(in THB millions)

3Q2012 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**

*Not to scale. For illustrative purpose only*

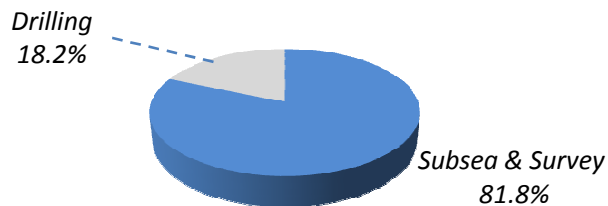
# 3Q2012 Sector Breakdown



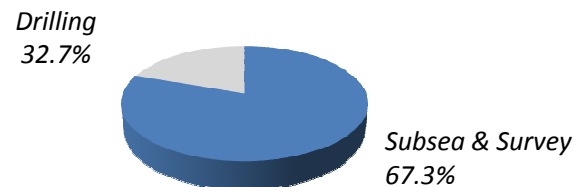
	Description	Service Income	Operating Profit/Loss	Operating Margin	Utilization Rate*
<b>Subsea &amp; Survey Services</b> 	Inspection, repair and maintenance; Infrastructure installation; Deepwater ROV support; Emergency call out services; Salvage, Marine Survey & Positioning	3Q2011: 1,207.8 3Q2012: 1,433.7	3Q2011: 96.7 3Q2012: 163.8	3Q2011: 8.0% 3Q2012: 11.4%	3Q2011: 75.7% 3Q2012: 81.8%
<b>Drilling Services</b> 	Floating rigs, Accommodation rigs	3Q2011: 245.3 3Q2012: 318.1	3Q2011: (142.1) 3Q2012: 79.7	3Q2011: -59.7% 3Q2012: 25.0%	3Q2011: 49.9% 3Q2012: 76.3%

**3Q2012**

**Revenue Breakdown**

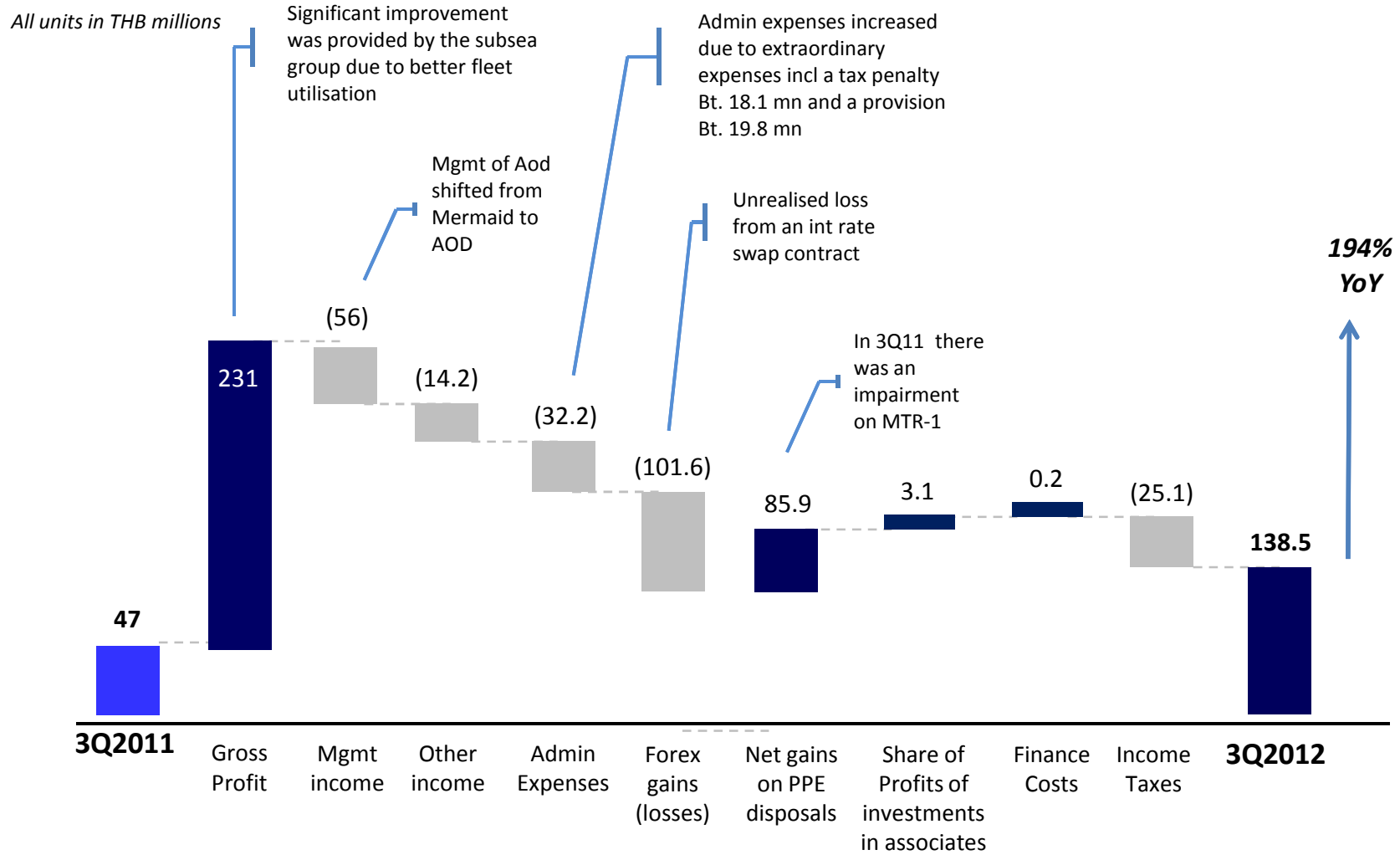


**Operating Profit/Loss Breakdown**





# 3Q2012 Profits & Losses



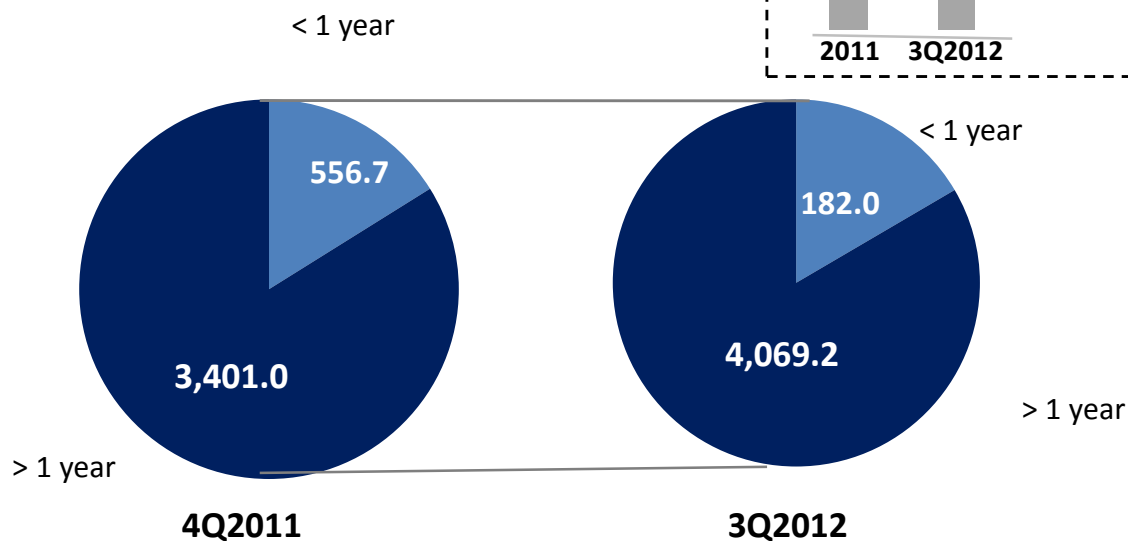
Not to scale. For illustrative purposes only



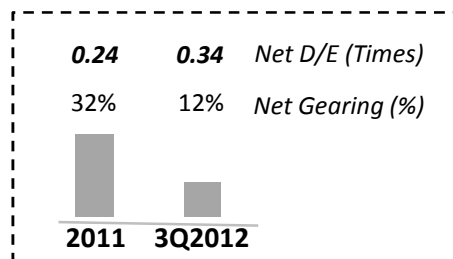
# Debt structure

Units in THB millions

## Loan Maturity

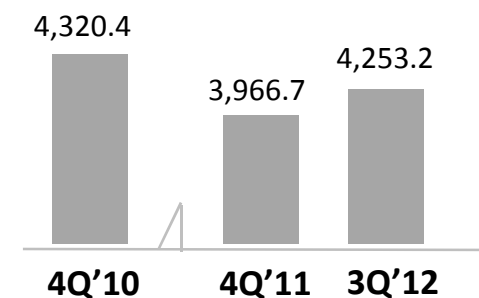


Low D/E ratio  
allows financial  
flexibility



## Total Loans Outstanding

Loans still decreasing  
since 2010



\* EXIM Loans have not been fully drawn down

Repayment amount	Loan Repayment Schedule (USD Million)									
	4Q2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
	1.4	6.8	9.7	8.0	11.0	12.0	13.1	14.0	25.5	31.5

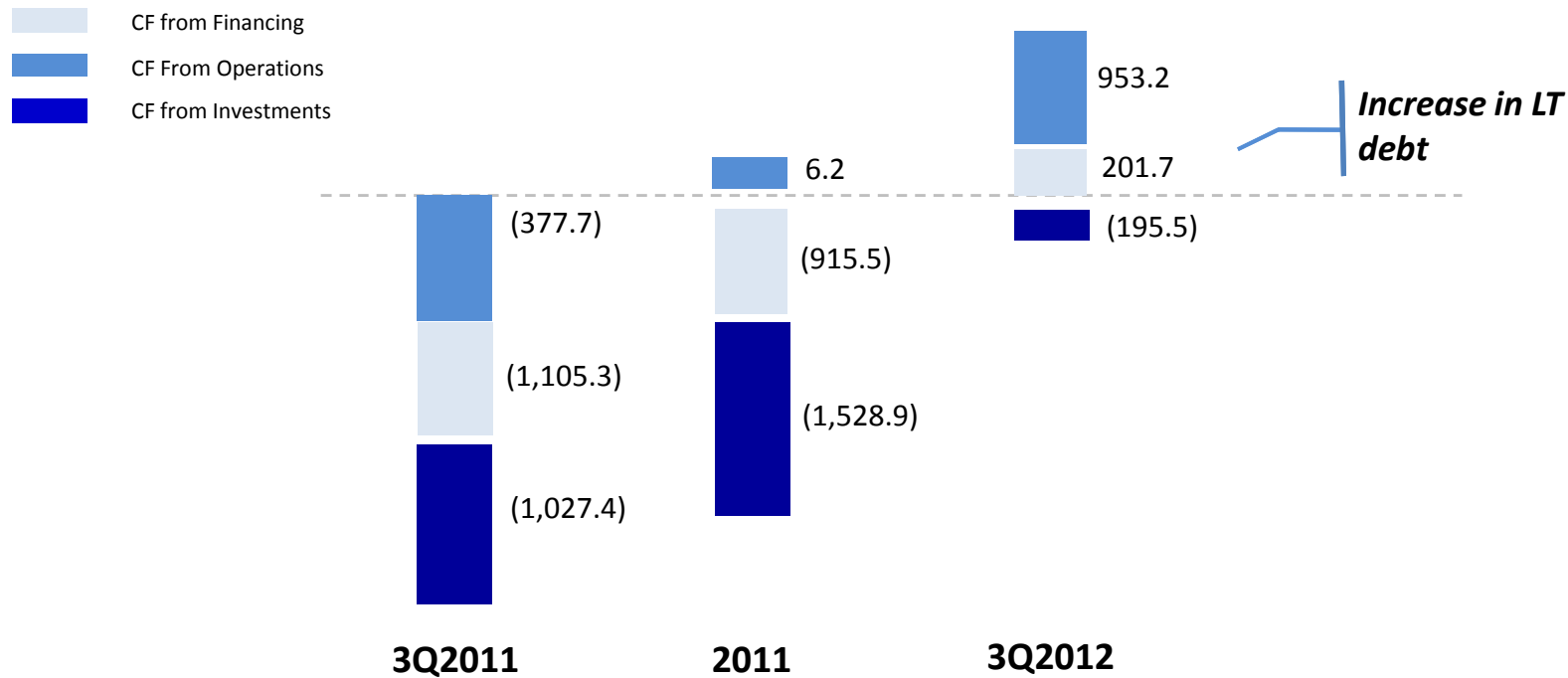
Not to scale. For illustrative purposes only

# Cash flow



Cash & Cash Equivalents	1,217.0	1,352.4	2,330.3	Cash and cash equivalents increased 91.5 % by Baht 1,113.3 million
Restricted Deposits at Financial Institutions	0	330.6	184.0	

All units in THB millions





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## 5. Questions & Answers