

**Mermaid Maritime Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Independent Auditor's Report
on Review of Interim Financial Information

For the three-month period that ended on 31 December 2012

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, as at 31 December 2012; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 December 2012; and condensed notes ("interim financial information"). 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 review.

Scope of Review

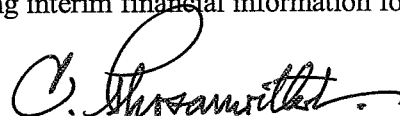
I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai 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 review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

The comparative consolidated and separate statements of financial position as at 30 September 2012

The consolidated and separate financial statements of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, for the year ended 30 September 2012 were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 26 November 2012. The consolidated and separate statements of financial position as at 30 September 2012, which are included in the accompanying interim financial information for comparative purposes, are components of those financial statements.



The comparative interim financial information for the three-month period ended 31 December 2011

The comparative consolidated and separate statements of comprehensive income, changes in equity and cash flows of Mermaid Maritime Public Company Limited and its subsidiaries, and of Mermaid Maritime Public Company Limited, respectively, for the three-month period ended 31 December 2011 were reviewed by another auditor whose report dated 13 February 2012 stated that nothing had come to his attention that caused him to believe that those financial information were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.



(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2013

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2012 and 30 September 2012

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2012 (Unaudited)	30 September 2012	31 December 2012 (Unaudited)	30 September 2012
<i>(in thousand Baht)</i>					
Assets					
<i>Current assets</i>					
Cash and cash equivalents		2,152,350	1,916,973	672,746	619,922
Trade accounts receivable	4	1,295,545	1,521,248	-	-
Other accounts receivable		401,047	262,512	5,752	3,316
Receivables from related parties	3	-	-	549,259	514,200
Short-term loans to related parties	3	-	-	4,499,167	4,621,503
Deferred contract costs	5	275,685	277,459	-	-
Supplies and spare parts		128,713	166,157	-	-
Other current assets		70,247	51,874	1,385	804
Total current assets		4,323,587	4,196,223	5,728,309	5,759,745
<i>Non-current assets</i>					
Restricted deposits at financial institutions		121,961	122,777	-	-
Investments in subsidiaries	6	-	-	4,970,999	4,970,999
Investments in associates	7	1,840,958	1,852,378	1,903,814	1,903,814
Investment in jointly-controlled operation	8	6,611	-	6,611	-
Property, plant and equipment	9	10,697,666	10,718,929	152,442	156,088
Goodwill		332,279	332,279	-	-
Intangible assets		10,640	13,031	1,073	1,247
Deferred tax assets		80,915	85,694	-	-
Other non-current assets		3,416	6,800	569	569
Total non-current assets		13,094,446	13,131,888	7,035,508	7,032,717
Total assets		17,418,033	17,328,111	12,763,817	12,792,462

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2012 and 30 September 2012

		Consolidated financial statements		Separate financial statements	
		31 December 2012 (Unaudited)	30 September 2012 (Unaudited)	31 December 2012 (Unaudited)	30 September 2012
Liabilities and equity	<i>Note</i>				
			<i>(in thousand Baht)</i>		
Current liabilities					
Trade accounts payable	3	450,560	327,302	-	-
Other accounts payable		11,159	14,077	2,647	3,501
Payables to related parties	3	20,491	24,892	1,136,018	1,154,480
Current portion of long-term borrowings from financial institutions	10	235,353	205,852	-	-
Current portion of finance lease liabilities		1,499	1,501	1,170	1,170
Current portion of share subscription payables to subsidiaries		33,823	33,823	-	-
Income taxes payable		45,693	35,484	-	-
Accrued expenses		393,703	354,984	7,926	10,296
Other current liabilities		39,411	44,711	9,331	8,489
Total current liabilities		1,231,692	1,042,626	1,157,092	1,177,936
Non-current liabilities					
Long-term borrowings from financial institutions	10	3,742,664	3,840,478	-	-
Finance lease liabilities		729	1,089	1	196
Long-term portion of share subscription payables to subsidiaries		42,207	42,207	-	-
Employee benefit obligations		39,038	30,669	4,567	4,249
Total non-current liabilities		3,824,638	3,914,443	4,568	4,445
Total liabilities		5,056,330	4,957,069	1,161,660	1,182,381

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2012 and 30 September 2012

	Consolidated financial statements		Separate financial statements	
	31 December 2012 (Unaudited)	30 September 2012 (Unaudited)	31 December 2012 (Unaudited)	30 September 2012 (Unaudited)
Liabilities and equity	<i>Note</i>			
Equity				
Share capital				
Authorised share capital	791,214	791,214	791,214	791,214
Issued and paid-up share capital	784,748	784,748	784,748	784,748
Premium on share capital	9,818,420	9,818,420	9,818,420	9,818,420
Retained earnings				
Appropriated	78,475	78,475	78,475	78,475
Unappropriated	1,950,804	1,930,146	920,148	928,072
Other components of equity	(337,987)	(308,081)	366	366
Equity attributable to owners of the Company	12,294,460	12,303,708	11,602,157	11,610,081
Non-controlling interests	67,243	67,334	-	-
Total equity	12,361,703	12,371,042	11,602,157	11,610,081
Total liabilities and equity	17,418,033	17,328,111	12,763,817	12,792,462

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods that ended on 31 December 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
		<i>(in thousand Baht)</i>			
Service income		1,618,321	1,151,411	-	-
Cost of services	3	(1,368,385)	(1,024,548)	-	-
Gross profit		249,936	126,863	-	-
Management fee income	3	-	-	17,595	22,695
Interest income	3	2,860	2,554	36,813	34,925
Other income	3	1,515	1,155	3,069	2,774
Administrative expenses	3	(175,116)	(183,316)	(39,945)	(43,819)
Gains (losses) on exchange rates		27,943	36,406	(25,004)	61,459
Net gains (losses) on disposals and write-offs of property, plant and equipment		(13,944)	1,096	-	-
Operating profits (losses)		93,194	(15,242)	(7,472)	78,034
Share of losses of investments in associates	7	(11,420)	(2,447)	-	-
Profits (losses) before finance costs and income tax expenses		81,774	(17,689)	(7,472)	78,034
Finance costs		(30,851)	(45,171)	-	-
Profits (losses) before income tax expenses		50,923	(62,860)	(7,472)	78,034
Income tax expenses		(30,293)	(15,726)	(452)	-
Profits (losses) for the period		20,630	(78,586)	(7,924)	78,034
Other comprehensive expenses:					
Exchange differences on translating financial statements		(29,969)	(15,608)	-	-
Total comprehensive income (expenses) for the period		(9,339)	(94,194)	(7,924)	78,034
Profits (losses) attributable to:					
Owners of the Company		20,658	(85,408)	(7,924)	78,034
Non-controlling interests		(28)	6,822	-	-
		20,630	(78,586)	(7,924)	78,034

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods that ended on 31 December 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
<i>Note</i>	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Total comprehensive income (expenses)				
attributable to:				
Owners of the Company	(9,248)	(101,632)	(7,924)	78,034
Non-controlling interests	(91)	7,438	-	-
	<u>(9,339)</u>	<u>(94,194)</u>	<u>(7,924)</u>	<u>78,034</u>
Earnings (losses) per share				
Basic and diluted earnings (losses)				
per share <i>(in Baht)</i>	12	<u>0.03</u>	<u>(0.11)</u>	<u>0.10</u>

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods that ended on 31 December 2012 and 2011 (Unaudited)

	Consolidated financial statements										
	Retained earnings				Other components of equity						
	Issued and paid-up share capital	Premium on share capital	Appropriated share capital	Unappropriated share capital	Exchange differences on translating financial statements	Share-based payment	ownership interests without a change in control	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 October 2011	784,748	9,818,420	78,475	1,858,659	(197,695)	-	-	(197,695)	12,342,607	99,008	12,441,615
Losses for the period	-	-	-	(85,408)	-	-	-	-	(85,408)	6,822	(78,586)
Exchange differences on translating financial statements	-	-	-	-	(16,224)	-	-	(16,224)	(16,224)	616	(15,608)
Balance at 31 December 2011	784,748	9,818,420	78,475	1,773,251	(213,919)	-	-	(213,919)	12,240,975	106,446	12,347,421
Balance at 1 October 2012	784,748	9,818,420	78,475	1,930,146	(219,165)	366	(89,282)	(308,081)	12,303,708	67,334	12,371,042
Profits for the period	-	-	-	20,658	-	-	-	-	20,658	(28)	20,630
Exchange differences on translating financial statements	-	-	-	-	(29,906)	-	-	(29,906)	(29,906)	(63)	(29,969)
Balance at 31 December 2012	784,748	9,818,420	78,475	1,950,804	(249,071)	366	(89,282)	(337,987)	12,294,460	67,243	12,361,703

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods that ended on 31 December 2012 and 2011 (Unaudited)

	Separate financial statements					Total equity
	Issued and paid-up share capital	Premium on share capital	Appropriated	Unappropriated	Other components of equity	
			<i>(in thousand Baht)</i>			
Balance at 1 October 2011	784,748	9,818,420	78,475	931,307	-	11,612,950
Profits for the period	-	-	-	78,034	-	78,034
Balance at 31 December 2011	784,748	9,818,420	78,475	1,009,341	-	11,690,984
Balance at 1 October 2012	784,748	9,818,420	78,475	928,072	366	11,610,081
Losses for the period	-	-	-	(7,924)	-	(7,924)
Balance at 31 December 2012	784,748	9,818,420	78,475	920,148	366	11,602,157

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods that ended on 31 December 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
Profits (losses) for the period	20,630	(78,586)	(7,924)	78,034
<i>Adjustments for:</i>				
Depreciation	214,628	219,225	4,255	4,166
Amortisation	2,600	2,147	174	140
Finance costs	30,851	45,171	-	-
Net (gains) losses on disposals and write-offs of property, plant and equipment	13,944	(1,096)	-	-
Realised gains on exchange rates	(9,169)	(22,594)	(79)	(34)
Unrealised (gains) losses on exchange rates	(23,358)	(13,812)	25,084	(61,425)
Employee benefit obligations	8,732	5,237	318	376
Share of losses of investments in associates	11,420	2,447	-	-
Exchange rates gains from translation of oversea subsidiaries	(28,848)	(29,220)	-	-
Income tax expenses	30,293	15,726	452	-
Cash flows from operations before changes in operating assets and liabilities	271,723	144,645	22,280	21,257
<i>Changes in operating assets and liabilities</i>				
Restricted deposits at financial institutions	(6)	(6)	-	-
Trade accounts receivable	226,049	674,173	-	-
Receivables from related parties	-	33	(36,596)	(36,102)
Other accounts receivable	(138,535)	(50,959)	(2,436)	(2,194)
Deferred contract costs	1,774	-	-	-
Supplies and spare parts	37,444	(6,289)	-	-
Other current assets	(10,317)	10,059	(582)	5,094
Other non-current assets	3,384	12,736	-	31
Trade accounts payable - other parties	131,540	(48,275)	-	-
Trade accounts payable - related parties	(69)	2,364	-	-
Other accounts payable	(82,411)	(9,566)	(1,277)	(3,441)
Payables to related parties	(4,401)	4,230	(11,652)	6,421
Accrued expenses	31,714	(125,603)	(2,371)	3,365
Other current liabilities	(504)	16,035	842	(660)
	195,662	478,932	(54,072)	(27,486)
Cash generated from operating activities	467,385	623,577	(31,792)	(6,229)
Finance costs paid	(29,650)	(44,106)	-	-
Income taxes paid	(15,291)	(16,222)	(452)	(724)
Employee benefits paid	-	(55,845)	-	-
Net cash from (used in) operating activities	422,444	507,404	(32,244)	(6,953)

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods that ended on 31 December 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Short-term loans received from related parties	-	-	97,000	-
Payment for investment in jointly-controlled operation	(6,611)	-	(6,611)	-
Proceeds from disposals of property, plant and equipment and intangible assets	148,267	8,035	-	-
Payment for purchases of property, plant and equipment	(278,342)	(55,135)	(154)	(49)
Payment for purchases of intangible assets	(241)	(704)	-	(23)
Net cash from (used in) investing activities	(136,927)	(47,804)	90,235	(72)
Cash flows from financing activities				
Repayment of finance lease liabilities	(334)	(669)	(195)	(293)
Repayment of long-term borrowings from financial institutions	(44,427)	(292,022)	-	-
Net cash used in financing activities	(44,761)	(292,691)	(195)	(293)
Net increase (decrease) in cash and cash equivalents	240,756	166,909	57,796	(7,318)
Cash and cash equivalents at the beginning of the period	1,916,973	1,352,380	619,922	377,635
Effects of exchange rates	(5,379)	44,138	(4,972)	5,984
Cash and cash equivalents at the end of the period	2,152,350	1,563,427	672,746	376,301
Non-cash transactions				
Unpaid liabilities for purchases of property, plant and equipment	84,289	8,332	455	-
Unpaid liabilities for share subscription in subsidiaries	76,030	-	-	-
Unpaid liabilities under finance lease agreements	1,171	2,244	1,171	2,244

The accompanying notes are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period that ended on 31 December 2012 (Unaudited)

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Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period that ended on 31 December 2012 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 13 February 2013.

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. The address of its registered office is at 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 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.

Details of the Company’s subsidiaries, associates, and jointly-controlled operation as at 31 December 2012 and 30 September 2012 were as follows:

Name of the entities	Country of incorporation	Direct/indirect Holding (%)	
		31 December 2012	30 September 2012
<i>Subsidiaries</i>			
Mermaid Offshore Services Ltd., which has ten subsidiaries as follows:	Thailand	100.0	100.0
Nemo Subsea AS*	Norway	100.0	100.0
Nemo Subsea IS*	Norway	97.0	97.0
Seascope Surveys (Thailand) Ltd.	Thailand	100.0	100.0
Seascope Surveys Pte. Ltd., which has one subsidiary as follows:	Singapore	100.0	100.0
PT Seascope Surveys Indonesia	Indonesia	95.0	95.0
Subtech Ltd., which has one subsidiary and one associate as follows:	Seychelles	100.0	100.0
Subtech Saudi Arabia Limited	Saudi Arabia	70.0	70.0
Subtech Qatar Diving and Marine Services LLC **	Qatar	49.0	49.0
Mermaid Offshore Services Pty. Ltd. ***	Australia	-	100.0
Mermaid Offshore Services Pte. Ltd.	Singapore	100.0	100.0
Mermaid Drilling Ltd., which has five subsidiaries as follows:	Thailand	95.0	95.0
MTR - 1 Ltd.	Thailand	95.0	95.0
MTR - 2 Ltd.	Thailand	95.0	95.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	Malaysia	95.0	95.0
MTR - 1 (Singapore) Pte. Ltd.	Singapore	95.0	95.0
MTR - 2 (Singapore) Pte. Ltd.	Singapore	95.0	95.0

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period that ended on 31 December 2012 (Unaudited)

Name of the entities	Country of incorporation	Direct/indirect Holding (%)	
		31 December 2012	30 September 2012
<i>Subsidiaries</i>			
Mermaid Training and Technical Services Ltd. *	Thailand	100.0	100.0
Mermaid Drilling (Singapore) Pte. Ltd. which has one subsidiary as follows:	Singapore	100.0	100.0
MTR - 3 (Singapore) Pte. Ltd.	Singapore	100.0	100.0
<i>Associates</i>			
Asia Offshore Drilling Limited, which has three subsidiaries as follows:	Bermuda	33.75	33.75
Asia Offshore Rig 1 Limited	Bermuda	33.75	33.75
Asia Offshore Rig 2 Limited	Bermuda	33.75	33.75
Asia Offshore Rig 3 Limited	Bermuda	33.75	33.75
<i>Jointly-controlled operation</i>			
Zamil Mermaid Offshore Services Co. (LLC)	Saudi Arabia	40.00	-

* Nemo Subsea AS, Nemo Subsea IS, and Mermaid Training and Technical Services Ltd. are in the process of liquidation.

** Existence of significant influence

*** Mermaid Offshore Services Pty. Ltd. was deregistered on 31 October 2012.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”).

The interim financial statements are prepared to provide an update on the financial statements for the year that ended on 30 September 2012. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year that ended on 30 September 2012.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year that ended on 30 September 2012, except for the addition of an accounting policy for jointly-controlled operation:

Jointly-controlled operation

Jointly-controlled operation is that entity over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month period that ended on 31 December 2012 (Unaudited)

An investment in jointly-controlled operation is accounted for in the consolidated financial statements using the equity-accounted investees and is recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees after adjustments to align the accounting policies with those of the Group from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(b) *Presentation currency*

The interim financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) *Use of estimates and judgements*

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year that ended on 30 September 2012.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationship
Thoresen Thai Agencies Public Company Limited	Thailand	Ultimate parent company, some common directors
Thoresen Shipping Singapore Pte Ltd	Singapore	99.9% holding by ultimate parent company
Thoresen Services Center Ltd.	Thailand	99.9% holding by ultimate parent company
Thoresen & Company (Bangkok) Limited	Thailand	99.9% holding by a subsidiary of ultimate parent company
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

Mermaid Maritime Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period that ended on 31 December 2012 (Unaudited)

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Management fee income	Actual cost plus margin
Interest income	At contractually agreed rates
Rental income	At contractually agreed rates
Cost of services	At mutually agreed rate normally charged by a third party
Other administrative expenses	At contractually agreed rates
Management benefit expenses	Amount approved by the directors and/or the shareholders

Significant transactions for the three-month periods that ended on 31 December 2012 and 2011 with related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
Management fee income	-	-	17,595	22,695
Interest income	-	-	35,622	34,720
Rental income	-	-	1,678	1,678
Other related parties				
Rental income	-	163	-	163
Cost of services	-	5,339	-	-
Other administrative expenses	2,234	5,447	687	3,949
Key management personnel compensation				
Short-term employee benefits	6,672	7,141	3,216	998
Post-employment benefits and other long term benefits	9	9	9	9

Balances as at 31 December 2012 and 30 September 2012 with related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	30	31	30
	December	September	December	September
	2012	2012	2012	2012
	<i>(in thousand Baht)</i>			
Receivables from related parties				
Subsidiaries	-	-	549,259	514,200
Total	-	-	549,259	514,200
Short-term loans to related parties				
Subsidiaries	-	-	4,499,167	4,621,503
Total	-	-	4,499,167	4,621,503

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	Consolidated financial statements		Separate financial statements	
	31 December 2012	30 September 2012	31 December 2012	30 September 2012
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Other related parties	568	638	-	-
Total	568	638	-	-
Payables to related parties				
Subsidiaries	-	-	1,115,527	1,129,588
Other related parties	20,491	24,892	20,491	24,892
Total	20,491	24,892	1,136,018	1,154,480

Movements of short-term loans to related parties, excluding interest receivable from related parties, during the three-month periods that ended on 31 December 2012 and 2011 were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 October	-	-	4,621,503	4,933,109
Increases	-	-	-	1,342,580
Decreases	-	-	(97,000)	(1,331,061)
Realised gains on exchange rates	-	-	48	-
Unrealised gains (losses) on exchange rates	-	-	(25,384)	69,740
At 31 December	-	-	4,499,167	5,014,368

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

4 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 December 2012	30 September 2012	31 December 2012	30 September 2012
	<i>(in thousand Baht)</i>			
Trade accounts receivable	1,172,565	1,467,370	-	-
Accrued income	123,047	143,567	-	-
	1,295,612	1,610,937	-	-
Less allowance for doubtful accounts	(67)	(89,689)	-	-
Net	1,295,545	1,521,248	-	-

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6 Investments in subsidiaries

Details as at 31 December 2012 were as follows:

	Separate financial statements (in thousand Baht)
Cost	5,237,264
Less allowance for impairment	(266,265)
At 31 December 2012	<u>4,970,999</u>

There were no movements during the three-month period that ended on 31 December 2012.

7 Investments in associates

Movements during the three-month period that ended on 31 December 2012 were as follows:

	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 1 October 2012	1,852,378	1,903,814
Share of losses of investments in associates	(11,420)	-
At 31 December 2012	<u>1,840,958</u>	<u>1,903,814</u>

8 Investment in jointly-controlled operation

Movements during the three-month period that ended on 31 December 2012 were as follows:

	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 1 October 2012	-	-
Additional investments	6,611	6,611
At 31 December 2012	<u>6,611</u>	<u>6,611</u>

Zamil Mermaid Offshore Services Co. (LLC)

On 1 October 2012 the Company subscribed 800 shares, equivalent to 40.0% of total shares in Zamil Mermaid Offshore Services Co. (LLC), a new jointly-controlled operation, for total consideration of Baht 6.6 million (Saudi Riyal 0.8 million). The contractual arrangements between the joint venture partners require, among other matters, consent from both partners equally for actions and decisions of the jointly-controlled operation.

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9 Property, plant and equipment

9.1) Acquisitions, disposals, and transfers of property, plant and equipment during the three-month period that ended on 31 December 2012 were as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Net book value</i>		
At 1 October 2012	10,718,929	156,088
Additions	357,834	609
Disposals and write-offs	(162,211)	-
Depreciation	(214,628)	(4,255)
Translation differences on consolidation	(2,258)	-
At 31 December 2012	<u>10,697,666</u>	<u>152,442</u>

Consolidated financial statements

The significant additions during the three-month period that ended on 31 December 2012 were:

- a) payments for dry-docking of vessel and drilling rig totaling Baht 128.65 million;
- b) payments for vessels and rig equipment totaling Baht 12.91 million; and
- c) payments for equipment under construction and installation totaling Baht 213.94 million.

9.2) There were land and buildings, two support vessels, and one tender rig that were mortgaged with financial institutions as collateral for their overdrafts and borrowings facilities. These assets were mortgaged at a total value of Baht 1,359.5 million and USD 110.0 million as at 31 December 2012 (30 September 2012: Baht 1,359.5 million and USD 110.0 million).

10 Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	31	30	31	30
	December	September	December	September
	2012	2012	2012	2012
	<i>(in thousand Baht)</i>			
Current portion	235,353	205,852	-	-
Long-term portion	<u>3,742,664</u>	<u>3,840,478</u>	-	-
Total	<u>3,978,017</u>	<u>4,046,330</u>	<u>-</u>	<u>-</u>

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Movements during the three-month period that ended on 31 December 2012 were as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 1 October 2012	4,046,330	-
Repayments	(44,427)	-
Amortisation on deferred issuing costs	839	-
Realised gains on exchange rates	(133)	-
Unrealised gains on exchange rates	(24,592)	-
At 31 December 2012	<u>3,978,017</u>	<u>-</u>

As at 31 December 2012 the total outstanding amounts of long-term borrowings granted by financial institutions are dominated in US dollars, having total outstanding balance of USD 130.2 million (*30 September 2012: USD 131.6 million*). Certain borrowings are secured by mortgages of the Company's assets as mentioned in Note 9.2 and are guaranteed by the Company and certain subsidiaries.

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

11 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

Segment 1	MOS group
Segment 2	Drilling group
Segment 3	Subtech group
Segment 4	Seascape group
Segment 5	Holding

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Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods that ended on 31 December 2012 and 2011 were as follows:

	Consolidated							
	For the three-month period that ended on 31 December 2012							
	MOS group	Drilling group	Subtech group	Seascope group <i>(in thousand Baht)</i>	Holding	Total	Elimination	Group
Total service income	667,111	217,879	679,287	379,258	-	1,943,535	(325,214)	1,618,321
Operating profits (losses)	7,229	15,190	53,811	58,857	(7,463)	127,624	(34,430)	93,194
Share of losses from associates	-	-	-	-	(11,420)	(11,420)	-	(11,420)
Finance costs	(57,562)	(1,349)	(12,941)	(569)	-	(72,421)	41,570	(30,851)
Income tax expense	(101)	(19,134)	-	(10,605)	(453)	(30,293)	-	(30,293)
Profits (losses) for the period	(50,434)	(5,293)	40,870	47,683	(19,336)	13,490	7,140	20,630
	Consolidated							
	For the three-month period that ended on 31 December 2011							
	MOS group	Drilling group	Subtech group	Seascope group <i>(in thousand Baht)</i>	Holding	Total	Elimination	Group
Total service income	592,689	233,919	210,896	250,239	-	1,287,743	(136,332)	1,151,411
Operating profits (losses)	(197,236)	60,674	2,844	39,329	77,806	(16,583)	1,341	(15,242)
Share of losses from associates	-	-	-	-	(2,447)	(2,447)	-	(2,447)
Finance costs	(79,107)	(1,931)	-	(733)	-	(81,771)	36,600	(45,171)
Income tax expense	39,664	(54,513)	-	(877)	-	(15,726)	-	(15,726)
Profits (losses) for the period	(236,679)	4,230	2,844	37,719	75,359	(116,527)	37,941	(78,586)

Mermaid Maritime Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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12 Earnings (losses) per share

Basic earnings (losses) per share

The calculations of basic earnings (losses) per share for the three-month periods that ended on 31 December 2012 and 2011 were based on the profits (losses) for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht/thousand shares)</i>			
Profits (losses) attributable to ordinary shareholders of the Company (basic)	<u>20,658</u>	<u>(85,408)</u>	<u>(7,924)</u>	<u>78,034</u>
Number of ordinary shares outstanding (basic)	<u>784,748</u>	<u>784,748</u>	<u>784,748</u>	<u>784,748</u>
Earnings (losses) per share (basic) <i>(in Baht)</i>	<u>0.03</u>	<u>(0.11)</u>	<u>(0.01)</u>	<u>0.10</u>

Diluted earnings (losses) per share

The calculations of diluted earnings (losses) per share for the three-month periods that ended on 31 December 2012 and 2011 were based on the profits (losses) for the period attributable to ordinary shareholder of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht/thousand shares)</i>			
Profits (losses) attributable to ordinary shareholders of the Company (basic)	<u>20,658</u>	<u>(85,408)</u>	<u>(7,924)</u>	<u>78,034</u>
Weighted average number of ordinary shares outstanding (basic)	784,748	784,748	784,748	784,748
Effect from employee share option plan	314	-	314	-
Weighted average number of ordinary shares outstanding (diluted)	<u>785,062</u>	<u>784,748</u>	<u>785,062</u>	<u>784,748</u>
Earnings (losses) per share (diluted) <i>(in Baht)</i>	<u>0.03</u>	<u>(0.11)</u>	<u>(0.01)</u>	<u>0.10</u>

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13 Guarantees

As at 31 December 2012 and 2011 the Group and the Company had outstanding guarantees as follows:

	Consolidated financial statements					
	31 December 2012			30 September 2012		
	Baht	USD	AED	Baht	USD	AED
	<i>(in thousand)</i>					
Letters of guarantee issued by financial institutions in the normal course of business	15,600	10,492	50	27,590	1,920	50
Guarantees for long-term borrowings of subsidiaries to financial institutions	-	130,178	-	-	131,617	-
Total	15,600	140,670	50	27,590	133,537	50

	Separate financial statements			
	31 December 2012		30 September 2012	
	Baht	USD	Baht	USD
	<i>(in thousand)</i>			
Letters of guarantee issued by financial institutions in the normal course of business	400	8,750	400	-
Guarantees for long-term borrowings of subsidiaries to financial institutions	-	130,178	-	131,617
Total	400	138,928	400	131,617

14 Commitments with non-related parties

	Consolidated financial statements			
	31 December 2012		30 September 2012	
	SGD	USD	SGD	USD
	<i>(in thousand)</i>			
Capital commitments				
Rig and vessel dry docking contracts	2,846	-	-	903
Total	2,846	-	-	903
Non-cancellable operating lease commitments				
Within one year	-	6,387	-	6,387
After one year but within five years	-	1,033	-	2,643
Total	-	7,420	-	9,030

Other commitments

As at 31 December 2012 the Group had commitments on procurement commission of new drilling unit of USD 2.0 million (30 September 2012: USD 2.0 million).

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15 Events after the reporting period

Final dividend payment

At the Annual General Meeting of Shareholders of the Company held on 28 January 2013, the shareholders approved the payment of an annual dividend of Baht 0.0274 per share, amounting to Baht 21.5 million. The dividend payment shall be made to the Company's shareholders on 22 February 2013.

16 Thai Financial Reporting Standards not yet adopted

The Group has not adopted the following new and revised Thai Financial Reporting Standards ("TFRS") that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new and revised TFRS in accordance with the Federation of Accounting Professions' announcement. These standards are as follows:

TAS 20 - Accounting for government grants and disclosures of government assistance

Management is of the opinion that the adoption of TAS 20 from 1 January 2013 will not have an impact on the Group's financial statements.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

The Group will apply this standard commencing 1 October 2013. Management is currently assessing the impact of applying this standard.

TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.

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17 Reclassification of accounts

Certain accounts in the consolidated statement of financial position as at 30 September 2012 which is included in the interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 31 December 2012 interim financial statements.

	Consolidated financial statement		
	Before Reclassification	Reclassification	After Reclassification
		<i>(in thousand Baht)</i>	
Advances to third party	286,707	(286,707)	-
Deferred contract costs	-	277,459	277,459
Other accounts receivable	256,621	9,248	247,373
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.