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MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand as a Public Company with Limited Liability)
(Registration Number. 010755000017)

**PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE AND
PRIVATE PLACEMENT TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$176.1 MILLION**

1. INTRODUCTION

The board of directors (the "**Board**" and the directors, the "**Directors**") of Mermaid Maritime Public Company Limited (the "**Company**") wishes to announce that it proposes to undertake a non-renounceable non-underwritten rights issue (the "**Rights Issue**") of new ordinary shares with a par value of Baht 1 each (the "**Rights Shares**") and a private placement of such number of new ordinary shares with a par value of Baht 1 each in the capital of the Company (the "**Placement Shares**"), which would be equivalent to the remaining unsubscribed excess Rights Shares (the "**Private Placement**", together with the Rights Issue, the "**Equity Fund Raising**") to raise gross proceeds of approximately S\$176.1 million (equivalent to approximately US\$140.9 million, based on an exchange rate of S\$1.25 to US\$1.00).

Pursuant to the Equity Fund Raising and based on the issued share capital of the Company comprising 784,747,743 Shares as at the date of this announcement (the "**Existing Share Capital**"), up to 628,799,634¹ Rights Shares will be offered at an issue price of S\$0.280 for each Rights Share (the "**Rights Issue Price**") on the basis of four Rights Shares for every five existing ordinary shares with a par value of Baht 1 each in the capital of the Company (the "**Shares**") held by Registered Shareholders (as defined below) as at a time and date to be determined and announced by the Directors for the purpose of determining the entitlements of Shareholders (the "**Rights Issue Books Closure Date**"), fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares (as defined below). **As the Rights Issue is made on a non-renounceable basis, the provisional allotment cannot be renounced in favour of a third party or traded on the SGX-ST.**

Following the Rights Issue and allotment of Excess Rights Shares (as defined below), such number of the Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, will be placed to unrelated third parties pursuant to a Private Placement in reliance of Section 272B of the Securities and Futures Act, Chapter 289 of Singapore at the Rights Issue Price or such other price as the Company may determine (the "**Placement Issue Price**"), but in no event shall the Placement Issue Price be lower than the Rights Issue Price. For the avoidance of doubt, the total number of Rights Shares and Placement Shares to be issued and allotted under the Equity Fund Raising will not exceed

1 Assuming that all options that have been granted by the Company under the ESOP 2008 and ESOP 2009 (each as defined herein) which are exercisable are exercised prior to the Rights Issue Books Closure Date (as defined herein) in accordance with the current indicative timeline.

628,799,634 Shares. In addition, if the Rights Issue is fully subscribed, the Private Placement will not proceed.

The Equity Fund Raising is subject to, among others, the approval of shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting to be convened by the Company, the approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, and the approval of the Office of the Securities and Exchange Commission of Thailand (the "**SEC**").

HL Bank has been appointed by the Company as the manager for the Rights Issue (the "**Manager**").

2. **REDUCTION AND INCREASE IN REGISTERED CAPITAL**

Under Thai corporate law, in order for the Company to increase the registered capital of the Company (the "**Registered Capital**") to provide for the allotment and issue of the Rights Shares and the Placement Shares in connection with the Equity Fund Raising, the Company has to, among others, reduce the Registered Capital by cancelling the Shares that have remained unissued or unallocated under the following:

- (a) the employee share option plan of the Company approved by Shareholders on 11 July 2007 (the "**ESOP 2008**");
- (b) the employee share option plan of the Company approved by Shareholders on 29 January 2009 (the "**ESOP 2009**");
- (c) the employee share option plan of the Company approved by Shareholders on 28 January 2010 (the "**ESOP 2010**"); and
- (d) the employee share option plan of the Company approved by Shareholders on 25 January 2011 (the "**ESOP 2011**"),

and, thereafter, increase the Registered Capital to provide for the Rights Shares, Placement Shares and any new Shares to be issued pursuant to any adjustments that may be necessary in relation to ESOP 2008, ESOP 2009, ESOP 2010, and ESOP 2011.

In connection with the proposed reduction and increase in the Registered Capital, the Company is also required under Thai corporate law to amend the Memorandum of Association of the Company.

3. **DETAILS OF THE RIGHTS ISSUE**

3.1 **Principal Terms of the Rights Issue**

Based on the Existing Share Capital, up to 628,799,634² Rights Shares will be offered at the Rights Issue Price on the basis of four Rights Shares for every five existing Shares held by Shareholders who are listed in the Register of Shareholders of the Company as at the Rights Issue Books Closure Date (the "**Registered Shareholders**"), fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

The provisional allotment of Rights Shares (the "**Rights**") of The Central Depository (Pte) Limited ("**CDP**"), a Registered Shareholder, will be split and credited to the securities accounts (the "**Securities Accounts**") of Entitled Depositors (as defined below) with CDP on the basis of four Rights Shares for every five existing Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

2 See note 1.

As the Rights Issue is made on a non-renounceable basis, the Rights cannot be renounced in favour of a third party or traded on the SGX-ST.

3.2 Company to seek an Irrevocable Undertaking from TTA

The Company also plans to approach its controlling Shareholder, Thoresen Thai Agencies Public Company Limited, to, among others, subscribe and pay in full, and procure Soleado Holdings Pte. Ltd. to subscribe and pay in full, for their entire respective Rights based on their shareholdings as at the Rights Issue Books Closure Date.

3.3 Application for Excess Rights Shares

The Rights Shares represented by the Rights not accepted, taken up or allotted for any reason and the fractional Rights not allotted in accordance with the terms of the Rights Issue will be aggregated (the "**Excess Rights Shares**") and used to satisfy applications for Excess Rights Shares.

Shareholders should note that applications for Excess Rights Shares are not on an unlimited basis. **Each Shareholder shall not apply for such number of Excess Rights Shares in excess of 5.0% of his existing shareholdings as of the Rights Issue Books Closure Date. Any application for Excess Rights Shares in excess of 5.0% of his existing shareholdings as of the Rights Issue Books Closure Date shall be disregarded and he shall be deemed to have applied for such number of Excess Rights Shares amounting to 5.0% of his existing shareholdings as of the Rights Issue Books Closure Date**

In the allotment of the remaining Excess Rights Shares, (a) preference will be given to satisfy the applications for Excess Rights Shares by Registered Shareholders excluding CDP, and Entitled Depositors (not being Directors and/or Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company) for the rounding of odd lots, (b) the remainder (if any) to satisfy the applications for Excess Rights Shares by Registered Shareholders excluding CDP, and Entitled Depositors (not being Directors and/or Substantial Shareholders), and (c) the remainder thereafter (if any) to satisfy the applications for Excess Rights Shares by Registered Shareholders excluding CDP, and Entitled Depositors (being Directors and/or Substantial Shareholders).

3.4 Rationale of the Rights Issue and Use of Proceeds

The Directors consider the Rights Issue to be beneficial to the Company and Shareholders in several ways including:

- (a) further enhancing the position of the Company and its subsidiaries (the "**Group**") as a leading provider of drilling and sub-sea engineering services for the offshore oil and gas industry; and
- (b) providing Registered Shareholders excluding CDP, and Entitled Depositors with the opportunity to pre-emptively subscribe for the Rights Shares.

The estimated net proceeds of the Rights Issue, assuming the Rights Issue is fully subscribed, are expected to be approximately S\$175.6 million, after deducting estimated expenses of approximately S\$0.5 million incurred in connection therewith (the "**Net Proceeds**").

The Company intends to utilise the Net Proceeds for the following:

- (i) approximately S\$44.0 million for repayment of existing loan facilities undertaken for subscription in shares in Asia Offshore Drilling Limited (equivalent to approximately 25.0% of the Net Proceeds);

- (ii) approximately S\$100.0 million for initial payment and other related expenses for construction of two new rigs (equivalent to approximately 57.0% of the Net Proceeds); and
- (iii) the balance of approximately S\$31.6 million for acquisitions and general corporate purposes including general working capital (equivalent to approximately 18.0% of the Net Proceeds).

The Company will announce any material disbursement of the Net Proceeds from the Rights Issue accordingly.

Pending the deployment of the Net Proceeds from the Rights Issue, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets, and/or marketable securities, as the Directors may deem appropriate in the interests of the Group.

3.5 Value Proposition for Shareholders

The Rights Issue is in the best interests of Shareholders and the Group as a whole. The Rights Issue provides all Registered Shareholders excluding CDP, and Entitled Depositors with the pre-emptive opportunity to subscribe for the Rights Shares at the Rights Issue Price of S\$0.280, which is at a discount of approximately:

- (a) 25.3% to the closing price on 20 March 2013 (being the trading day immediately preceding the date of this announcement) of S\$0.375 per Share; and
- (b) 15.9% to the theoretical ex-rights trading price³ of S\$0.3328 per Share.

3.6 Eligibility of Shareholders

(a) Registered Shareholders

Subject to compliance with relevant securities laws, Registered Shareholders will be entitled to participate in the Rights Issue and will be provisionally allotted the Rights Shares under the Rights Issue on the basis of the Shares recorded in their names in the Register of Shareholders as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

(b) Entitled Depositors

The Rights of CDP, a Registered Shareholder, will be split and credited to the Securities Accounts of Entitled Depositors.

"Entitled Depositors" are depositors with Shares standing to the credit of their Securities Accounts with CDP as at the Rights Issue Books Closure Date whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three market days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents. Entitled Depositors will therefore be entitled to participate in the Rights Issue and will be provisionally allotted the Rights Shares under the Rights Issue on the basis of the Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded and aggregated to form part of the Excess Rights Shares.

3 The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$0.375 per Share on the SGX-ST on 20 March 2013, being the last trading day of the Shares on the SGX-ST prior to this announcement and the number of Shares following the completion of the Rights Issue.

(c) Restrictions on participation by Non-Entitled Depositors

The making or acceptance of the proposed offer of Rights and Rights Shares to persons who have registered addresses outside Singapore, or who are resident in, or citizens of, countries other than Singapore, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Rights.

Depositors with Shares standing to the credit of their Securities Accounts as at the Rights Issue Books Closure Date other than the Entitled Depositors (the "**Non-Entitled Depositors**") will not be entitled to participate in the Rights Issue. No Rights will be issued to Non-Entitled Depositors, and no purported acceptance thereof or application therefor by Non-Entitled Depositors will be valid.

3.7 Status of the Rights Shares

The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the then existing Shares (i.e. the Shares in issue on the day immediately prior to the date on which the Rights Shares are issued) save that they will not rank for any dividends, rights, allotments, or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

4. **DETAILS OF THE PRIVATE PLACEMENT**

4.1 Placement of unsubscribed Excess Rights Shares

Following the Rights Issue and allotment of Excess Rights Shares, such number of the Placement Shares, which would be equivalent to the remaining unsubscribed Excess Rights Shares, will be placed to unrelated third parties pursuant to a Private Placement in reliance of Section 272B of the Securities and Futures Act, Chapter 289 of Singapore at the Rights Issue Price or such price as the Company may determine, but in no event shall such price be lower than the Rights Issue Price. Each placee under the Private Placement would not be allocated more than 3.0% of the enlarged share capital of the Company.

For the avoidance of doubt, the total number of Rights Shares and Placement Shares to be issued and allotted under the Equity Fund Raising will not exceed 628,799,634 Shares. In addition, if the Rights Issue is fully subscribed, the Private Placement will not proceed.

4.2 Rationale of the Private Placement

The Directors consider the Private Placement of such number of Placement Shares which would be equivalent to the remaining unsubscribed Excess Rights Shares to be beneficial to the Company and Shareholders as it will ensure the success of the Rights Issue.

4.3 Status of the Placement Shares

The Placement Shares will, when issued and fully paid, rank *pari passu* in all respects with the then existing Shares (i.e. the Shares in issue on the day immediately prior to the date on which the Placement Shares are issued) save that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Placement Shares.

5. **APPROVALS**

The Equity Fund Raising is subject to, among others, the following:

- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares (including the Placement Shares) on the Main Board of the SGX-ST having been obtained;
- (b) the approval of Shareholders for the resolutions in relation to the Equity Fund Raising having been obtained at the EGM;
- (c) the acceptance of the registration of the increase in the Registered Capital further to the acceptance of the registration of the reduction in the Registered Capital by the Ministry of Commerce of Thailand; and
- (d) the approval of the SEC for the Equity Fund Raising being granted and not having been withdrawn or revoked on or prior to the completion of the Equity Fund Raising.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares (including the Placement Shares) on the Main Board of the SGX-ST. The Company will make an appropriate announcement upon the receipt of the in-principle approval of the SGX-ST.

6. **ADJUSTMENTS TO SHARE OPTIONS**

The Company will make adjustments to the Share Options to take into account the Equity Fund Raising so that holders thereof will not be adversely affected thereby. Details of such adjustments will be communicated separately to holders of such Share Options.

7. **FURTHER INFORMATION**

The circular in relation to, among others, the Equity Fund Raising, which will contain, among others, details of the resolutions to be tabled at the EGM and a notice of the EGM, will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Vincent Siaw
Company Secretary
20 March 2013

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The distribution of this announcement, the provisional allotment letters and/or the application forms for Rights Shares and Excess Rights Shares or Placement Shares into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

This announcement contains or incorporates by reference "forward-looking statements" regarding the belief or current expectations of the Company, the Directors and other members of its senior management about the Group's businesses and the transactions described in this announcement. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which the Group operates, and other factors affecting the level of the Group's business activities and the costs and availability of financing for the Group's activities. Any forward-looking statement contained in this announcement based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company. In light of the ongoing turmoil in the global financial markets and its contagion effect on the economy, any forward-looking statement contained in this announcement must be considered with significant caution and reservation. Each forward-looking statement speaks only as of the date of the particular statement. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.