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MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand as a Public Company with Limited Liability)
(Registration Number. 0107550000017)

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

Unless otherwise defined herein, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular dated 12 June 2013 issued by Mermaid Maritime Public Company Limited (the "Company").

INTRODUCTION

Further to the completion of the Rights Issue on 19 September 2013, the Board wishes to announce that it will be carrying out the Private Placement of up to 58,105,821 Placement Shares, being the remaining unsubscribed Excess Rights Shares, to institutional and other investors at the Placement Price, being an issue price of S\$0.280 to raise gross proceeds of up to S\$16,269,629.88.

DETAILS OF THE PRIVATE PLACEMENT

The Company has today entered into a placement agreement (the "**Placement Agreement**") with HL Bank (the "**Placement Agent**") in relation to the Private Placement. Pursuant to the Placement Agreement, the Placement Agent has agreed, on a best efforts basis, to procure subscriptions for an aggregate of up to 58,105,821 Shares at the Placement Price.

The Placement Price of S\$0.280 per Placement Share represents a discount of 3.1% to the volume weighted average price of S\$0.289 per Share for trades in the Shares done on the SGX-ST for the full Market Day on 30 September 2013. The Placement Price is the same as the Rights Issue Price.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement.

ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The offer of Placement Shares under the Private Placement will be made to institutional and other investors.

NOT FOR DISTRIBUTION IN THE UNITED STATES

The Placement Shares have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S and that the Placement Shares may not be offered, resold, pledged or transferred, within the United States absent registration under the Securities Act or pursuant to an exemption therefrom, in each case in accordance with any applicable state or other securities laws in the United States.

The Company, along with the Placement Agent, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

USE OF PROCEEDS

As disclosed in the Circular, subject to relevant laws and regulations, the Company intends to utilise the estimated net proceeds from the Rights Issue and the Private Placement (the "**Equity Fund Raising**") in the following manner:

- a) Between S\$96.6 million and S\$175.6 million (which is equivalent to 55.0% to 100.0% of the net proceeds from the Equity Fund Raising) in investment in drilling rigs and/or subsea vessels and related assets and/or investment in companies owning or otherwise having an interest in such assets; and
- b) Up to S\$79.0 million (which is equivalent to 45.0% of the net proceeds from the Equity Fund Raising) in acquisitions of additional machinery, equipment and other tools and accessories, repayment of existing loans¹ and general corporate purposes including general working capital.

The Company will make periodic announcements on the utilisation of the proceeds from the Equity Fund Raising as and when the funds are materially disbursed, and provide status reports on the use of the same in annual reports. Further the Company will disclose a breakdown with specific details on the use of proceeds for working capital in announcements and annual reports.

Pending the deployment of the proceeds from the Private Placement, the 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.

RATIONALE FOR THE PRIVATE PLACEMENT

As previously disclosed in the Circular, the Directors consider the Private Placement to be beneficial to the Company and Shareholders as it will help to enhance the success of the Rights Issue by ensuring that the moneys raised through the Equity Fund Raising will now be maximised. Consequently, the Group's position as a leading provider of drilling and sub-sea engineering services for the offshore oil and gas industry will be further strengthened by the carrying out of the Private Placement.

IN-PRINCIPLE APPROVAL FROM THE SGX-ST AND AUTHORITY TO ISSUE PLACEMENT SHARES

In-principle approval for the listing of, dealing in, and quotation of, the Rights Shares (which includes the Placement Shares) on the Main Board of the SGX-ST was obtained from the SGX-ST on 28 May 2013 ("**in-principle approval**"). The Company had on 29 May 2013 made an announcement in relation to the same.

The conditions of the in-principle approval from the SGX-ST are as follows:

- a) compliance with the SGX-ST's listing requirements;

¹ The existing loans are in connection to the loan taken up by the Company to subscribe for an additional shares in Asia Offshore Drilling Limited ("AOD") for US\$33.8 million pursuant to a fund raising exercise by AOD in March 2013. Please refer to the announcement by the Company dated 12 March 2013 in relation to the Company's subscription of shares in AOD. The Company subsequently utilised approximately US\$35.0 million (approximately S\$43.6 million) of the proceeds from the Rights Issue for the repayment of this loan. Please refer to the announcement by the Company dated 23 September 2013.

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- b) Shareholders' approval being obtained for the Rights Issue and the Private Placement;
- c) a written undertaking from the Company that it will comply with the Rules 704(3), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and the Private Placement and where the proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- d) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regard to the allotment of any Excess Rights Shares;
- e) a written confirmation from a financial institution as required under Rule 877(9) of the Listing Manual that the Substantial Shareholder who has given the Irrevocable Undertaking (being TTA) has sufficient financial resources to fulfill its obligations under its undertakings;
- f) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual with regard to the proposed Private Placement;
- g) a written undertaking from the placement agent(s) (if one is appointed) that it will ensure that the Company will comply with Rule 803 of the Listing Manual;
- h) a written confirmation from the Company that it will not issue the Placement Shares to persons prohibited under Rule 812(1) of the Listing Manual; and
- i) a written confirmation from the placement agent(s) (if one is appointed) that Placement Shares will not be placed to persons under Rule 812(1) of the Listing Manual.

The undertakings / confirmations in respect of items (c), (d), (e), (f), and (h) have been provided to the SGX-ST. Further, the issuance of the New Shares (which includes Rights Shares and Placement Shares pursuant to the Equity Fund Raising) was authorised by Shareholders at the Extraordinary General Meeting of Shareholders no. 01/2013 held on 4 July 2013.

The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Placement Shares, the Company and/or its subsidiaries.

BY ORDER OF THE BOARD

Ms. Phimolwan Phromchanya
Senior Manager, Legal & Corporate Affairs
30 September 2013

Important Notice

This announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any Rights, Rights Shares or Placement Shares or to take up any entitlements to Rights Shares or Placement Shares in any jurisdiction in which such an offer or solicitation is unlawful. The information contained in this announcement is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of Rights and the acquisition or purchase of the Rights Shares or Placement Shares are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

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.