



Mermaid Maritime Plc.

Corporate Presentation

FY2014 Analyst Briefing & Shareholders Forum
Singapore, 2 December 2014

Delivering a world class service to the region from within the region



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Agenda

- 1. Mermaid Business Overview**
- 2. Market Outlook**
- 3. Subsea Services**
- 4. Drilling Services**
- 5. Financial Review & Order Book**
- 6. Summary**



Agenda

1. Mermaid Business Overview



Who We Are & Our Leadership

We are one of the world's largest offshore oil and gas diving services companies



☑ A leading international specialist subsea and drilling services company listed on the Singapore Stock Exchange.

☑ Owner and operator of a diversified portfolio of subsea vessels and drilling rigs providing a complete suite of turnkey services.

☑ Quality customer base and significant contract backlog providing earnings visibility.

☑ Excellent operational performance and proven track record with further opportunities for growth.



Mr. Prasert Bunsumpun
Chairman of the Board

Over 30 years experience in the offshore oil and gas industry.

Distinguished career includes CEO of PTT Plc. and Chairman of PTT Exploration and Production Plc., Thailand's national oil and gas company.



Mr. Chalermchai Mahagitsiri
Executive Vice Chairman & Chief Executive Officer

CEO of family holdings PM Groups Co. Ltd.

Proven track record of successfully managing and growing a variety of businesses including coffee, steel, copper, shipping, media, entertainment, resorts and golf courses.



Mermaid Business Summary



31
years since Mermaid
Maritime's
establishment

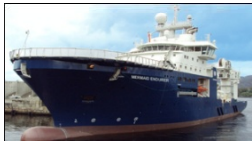


5
regions which
Mermaid
operates



1000+
skilled divers, crew,
technicians, support
service providers &
management

SUBSEA BUSINESS



13
subsea vessels*



6 + 17
saturation and air
diving systems



15
remotely
operated vehicles



* Includes 1 subsea vessel under construction
and 6 subsea vessels on charter-in

** Includes 2 tender rigs under
construction

*** 33.76% ownership through
Asia Offshore Drilling Limited

DRILLING BUSINESS



4
tender rigs**



3
high-spec
jack-ups***



Subsea
inspection,
repair and
maintenance

Subsea
infrastructure
installation
support

Subsea
remotely
operated
vehicle support

Subsea
emergency
callout &
salvage

Subsea cable
and flexible
pipe laying

Offshore
drilling and
work over
services

Accommodation
rig services



Mermaid's Industry Positioning

 Specialist 'below the water' segment where barriers to entry are high



 Dual-portfolio essential service offering on turnkey basis



 Focus on production phase of cycle where demand is more long term and stable



 Multi-regional service capability

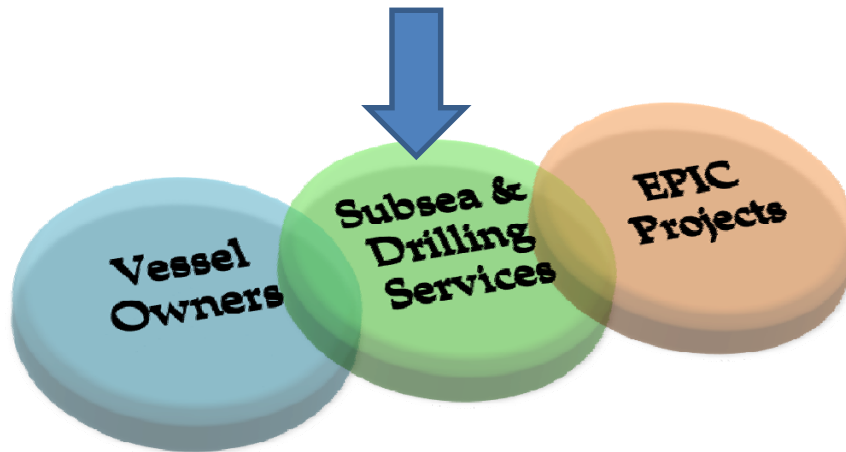


 Multi-customer portfolio diversity

- National Oil & Gas Companies
- International Oil & Gas Companies
- Major EPCIC Contractors



Mermaid's Sweet Spot

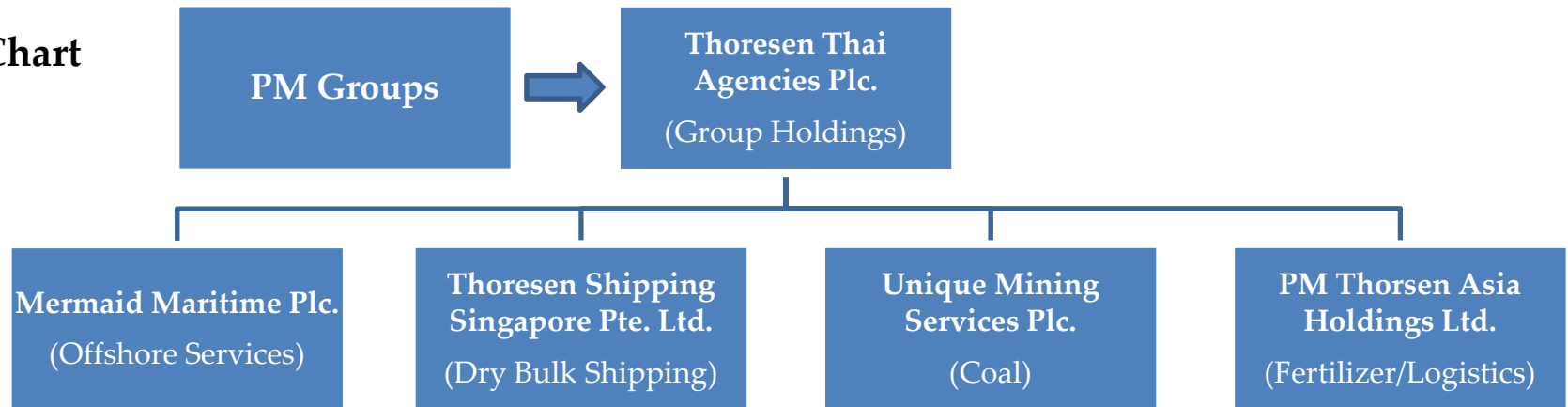


Vessel Owners	Subsea Service Providers	Subsea EPIC
•Asset intensive	•Asset & service mix	•Project management
•Day rate revenue model	•Day rate & spread revenue	•Lump-sum/turnkey risk
•Limited differentiation	•Price vs. quality mix	•Capex driven, more volatile
•Low barriers to entry	•High barrier to entry	•High barrier to entry
•High fixed costs	•Fixed & variable cost	•Fixed & variable cost
•Low margins	•Higher margins	•Volatile margins

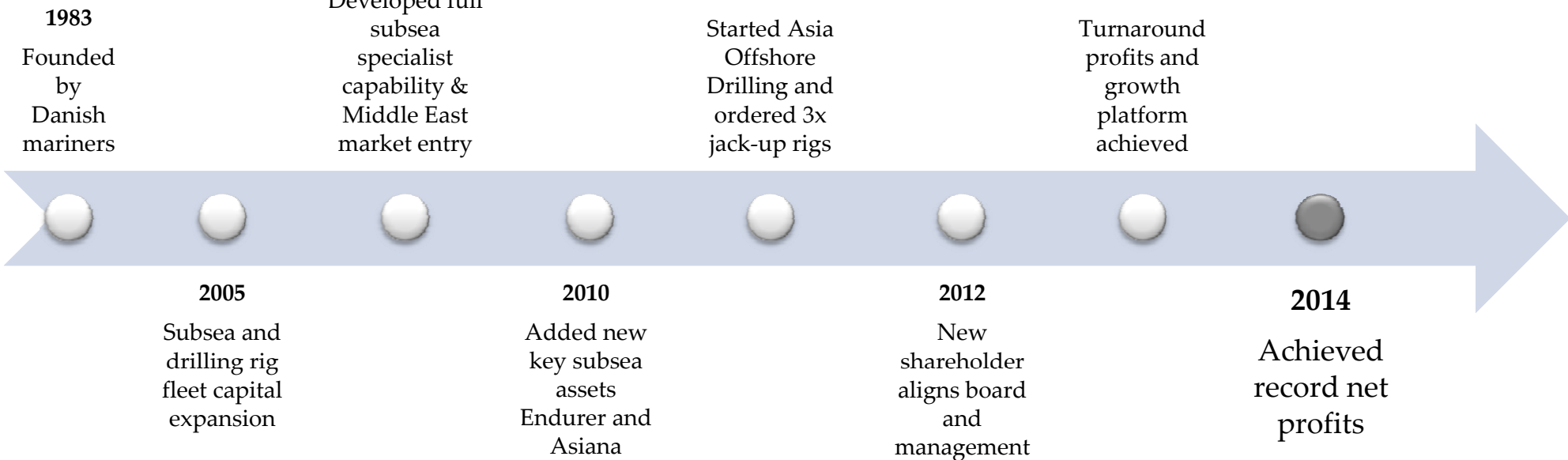


A Member of the PM & Thoresen Group of Companies

Corporate Chart



31 Year Growth Story





Board Members & Key Executives

Board Members *



Mr. Joseph Chia
Executive Director



Dr. Jean Paul Thevenin
Non-Executive Director



Mr. Ng Cher Yan
Independent Director

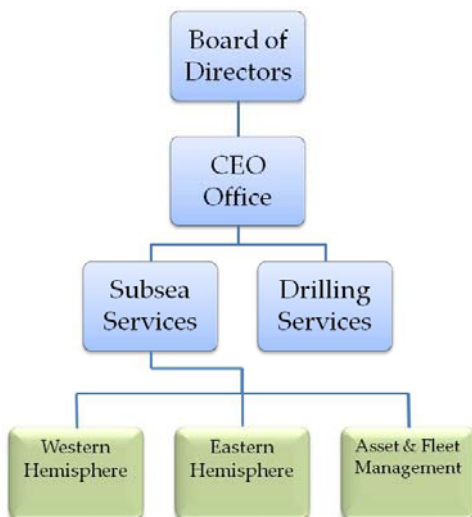


Mr. Joachim Toh
Independent Director



Dr. Jan Skorupa
Independent Director

Organization Structure



Key Executives*



Mr. Paul Whiley
Head of Subsea Services



Mr. Neil Howie
Group Subsea Regional
Director – Western
Hemisphere



Mr. Peter Reichlmeier
Group Subsea Regional
Director – Eastern
Hemisphere



Mr. Jeff Breal
Operations Manager
Mermaid Drilling



High Quality Customer Base





Commitment to Customers



✓ Track record of successful projects with reputable clients

✓ Strategic local partnerships in various geographies in MENA & SEA

✓ Excellent health, safety and environment track record

✓ Fully compliant with international standards on vessel and equipment

✓ Dynamic with quick response to emergency call outs and variation orders

✓ First tier international service quality / competitive price mix

✓ 'One-stop' service point for specialized subsea support and drilling

✓ Capability and resources to handle large and small projects as required

Over 90 percent of Mermaid's business comes from repeat customers



FY2014 Business Highlights

Corporate Actions

- ☑ Best FYE2014 results in Mermaid's history
- ☑ Drive focus on bottom line results across the organization
- ☑ Continue to search for opportunistic growth
- ☑ Arming debt-leveraged options for potential future expansion

Subsea Services

- ☑ Increased fleet size by charter-in of modern vessels
- ☑ Subsea unit integrated and rebranded as Mermaid Subsea Services
- ☑ Cable lay services successfully launched, UAE office opened
- ☑ Ordered new build DP2 DSCV Mermaid Ausana (delivery 2016)

Offshore Drilling

- ☑ AOD investment in 3 jack-up rigs performs well
- ☑ Order new build MTR-3 and MTR-4 tender rigs (delivery 2016)
- ☑ Excellent operational and safety record + customer satisfaction
- ☑ MTR-2 continues working for Chevron for 9th year

Delivered FY2014 net profit
of USD 45.3 million
(3x increase from FY2013)



Built up 'backbone' contract
backlog of
~USD 470 million*



Strategically positioned
as value service provider to oil
and gas majors



Financially stable and able
to grow with
D/E ratio of 0.21

* As at 1 October 2014 and not including AOD pro-rata contribution of an additional ~USD 110 million (=USD 580 million total)

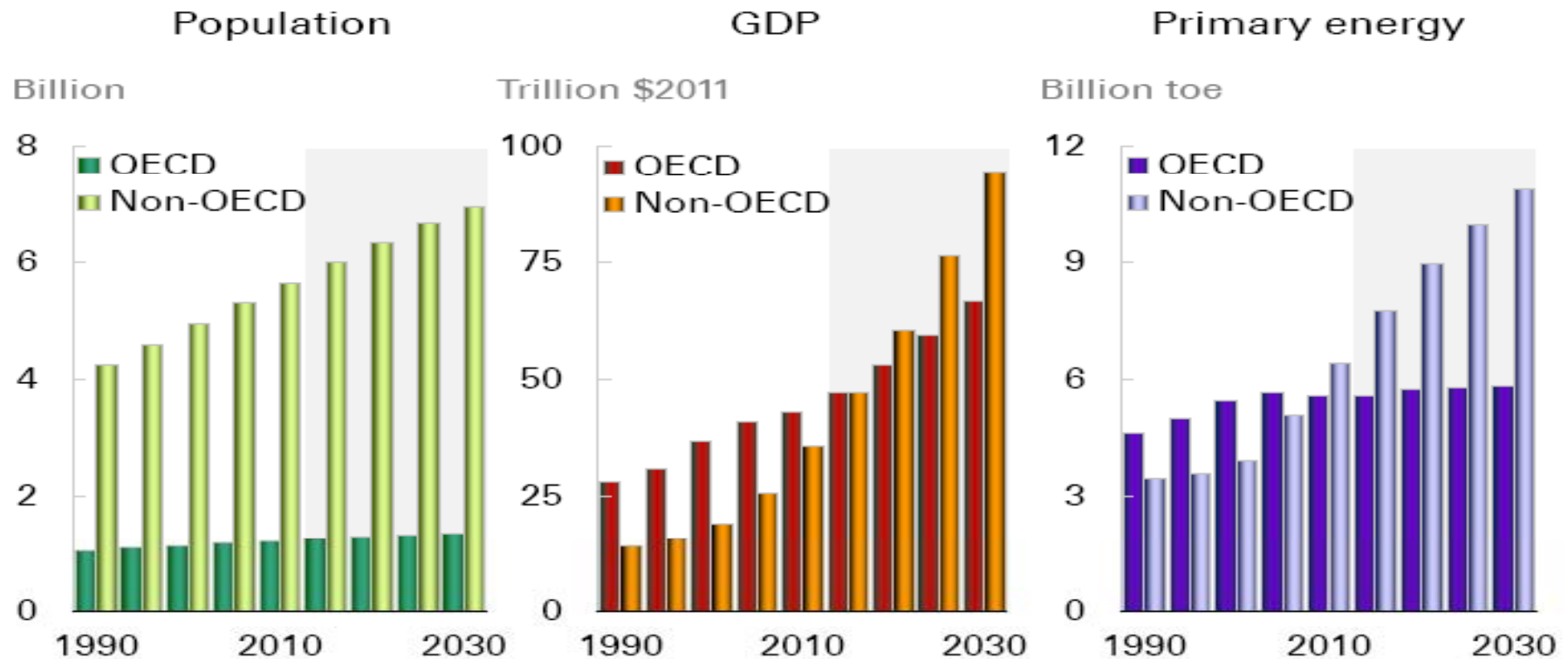


Agenda

2. Market Outlook



Population and income growth will drive long term demand...



By 2030 world population is projected at 8.3 billion which means an additional 1.3 billion will need energy. Emerging economies account for 90% of population growth.

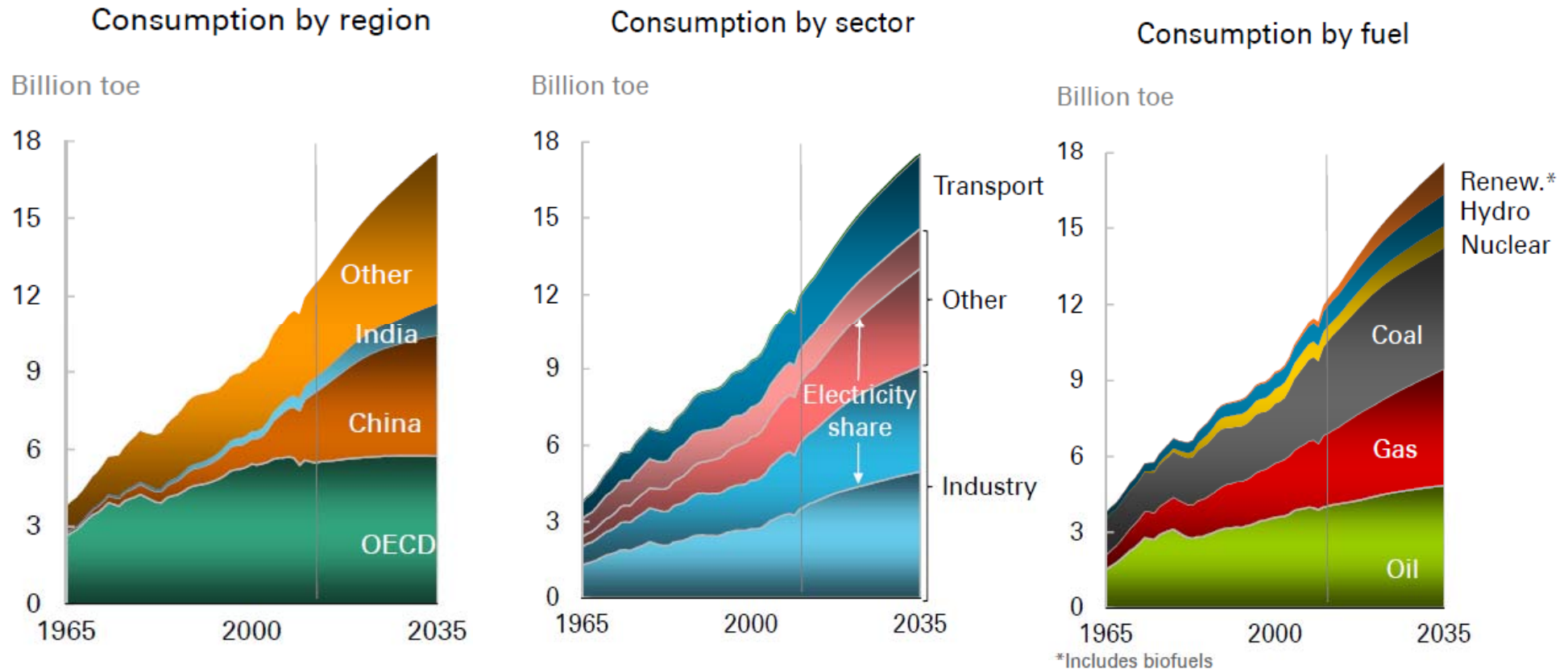
World income in 2030 is expected to roughly double 2011 in real terms with emerging economies contributing to 70% of global GDP growth.

Due to rapid industrialization, urbanization and motorization, emerging economies will also contribute to over 90% of the global energy demand growth.

(Source: BP Energy Outlook 2030)



...with oil and gas still dominating the energy market



<p>Primary energy demand is expected to increase and the growth is almost all (95%) in the non-OECD countries.</p>	<p>Industry, residential and services remains dominant source of growth reflecting unprecedented pace of industrialization in Asia.</p>	<p>Renewable energy use will grow but oil and gas are expected to still dominate the energy market with coal contribution diminishing.</p>
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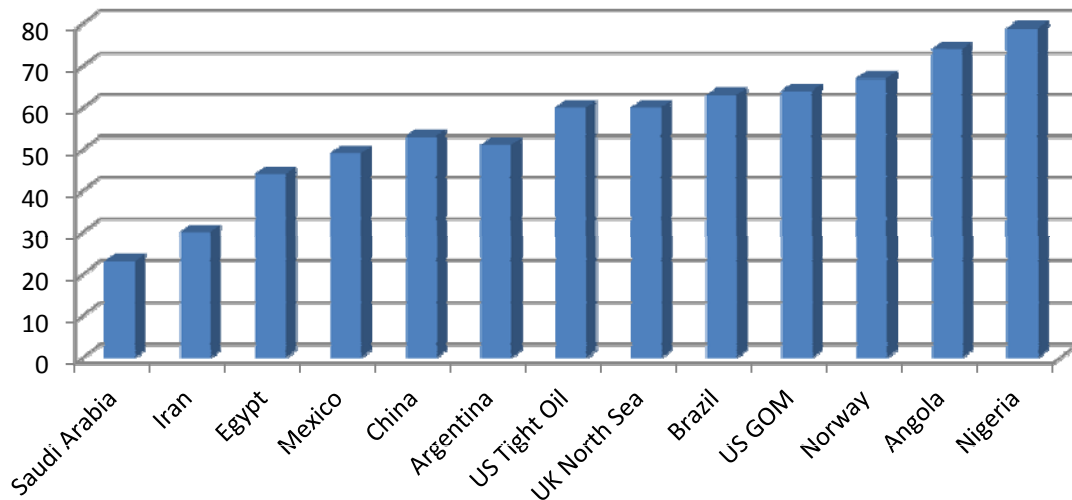
Recent weakness in oil prices still above most hurdle rates

CBF10 - Crude Oil Brent (ICE)



Oil prices have recently fallen from June 2014 peak.

Prices remain above most minimum rate of returns (hurdle rates) of oil and gas majors on new investments.



Typical oil and gas project break even point at 15% IRR

Oil and gas majors expected to move to preserve sustainability after previous high capex spending.

Hence capex spend expected to be more biased towards subsea and production.

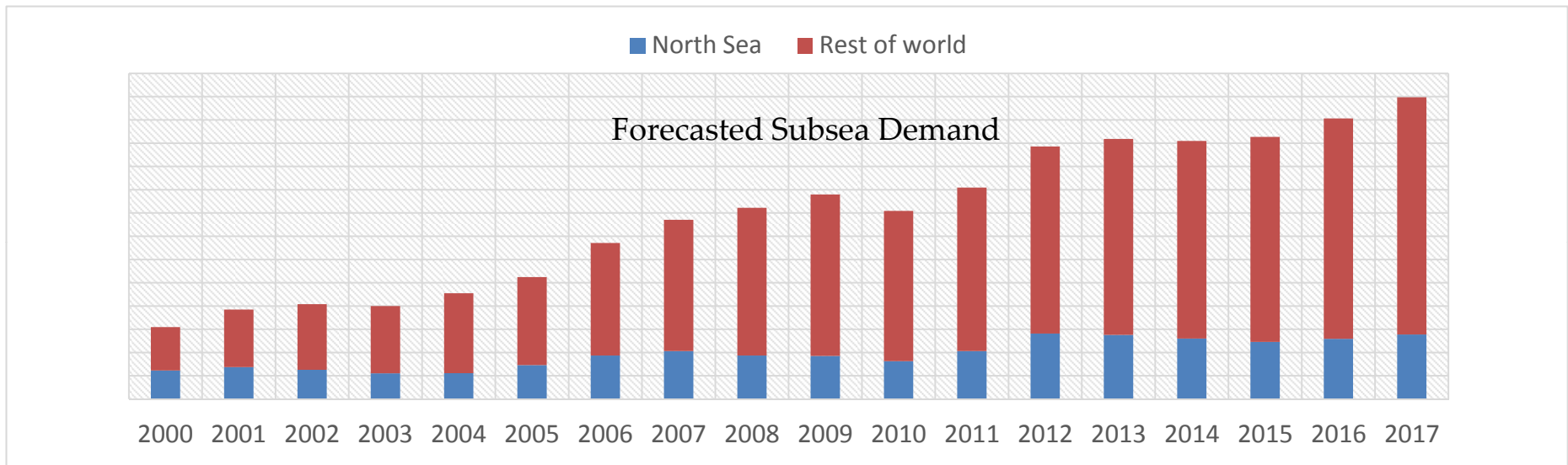
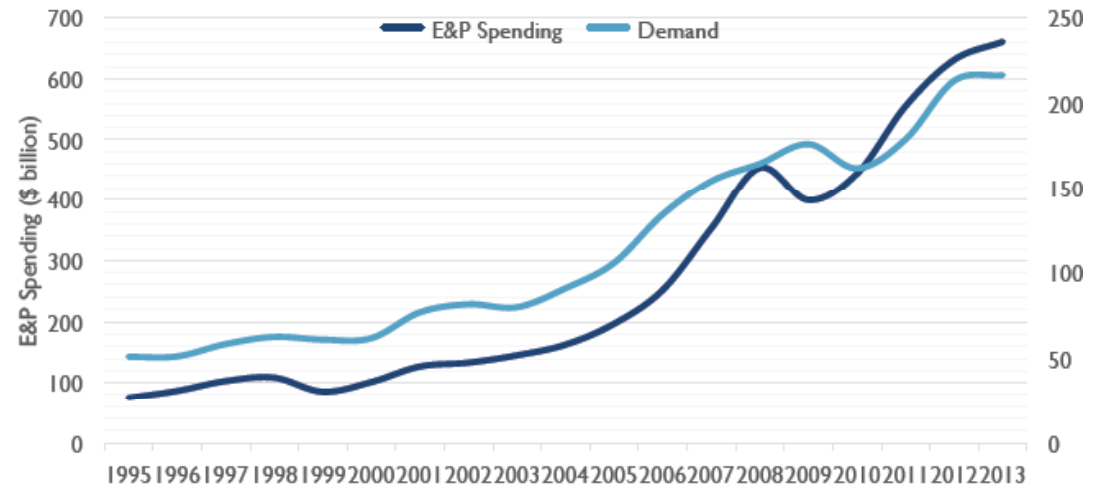
(Source: Nasdaq, Pareto, IHS)



Shifting focus to production and subsea expected...

In the near-term, production side of E&P spending is expected to be less affected compared to exploration side activities.

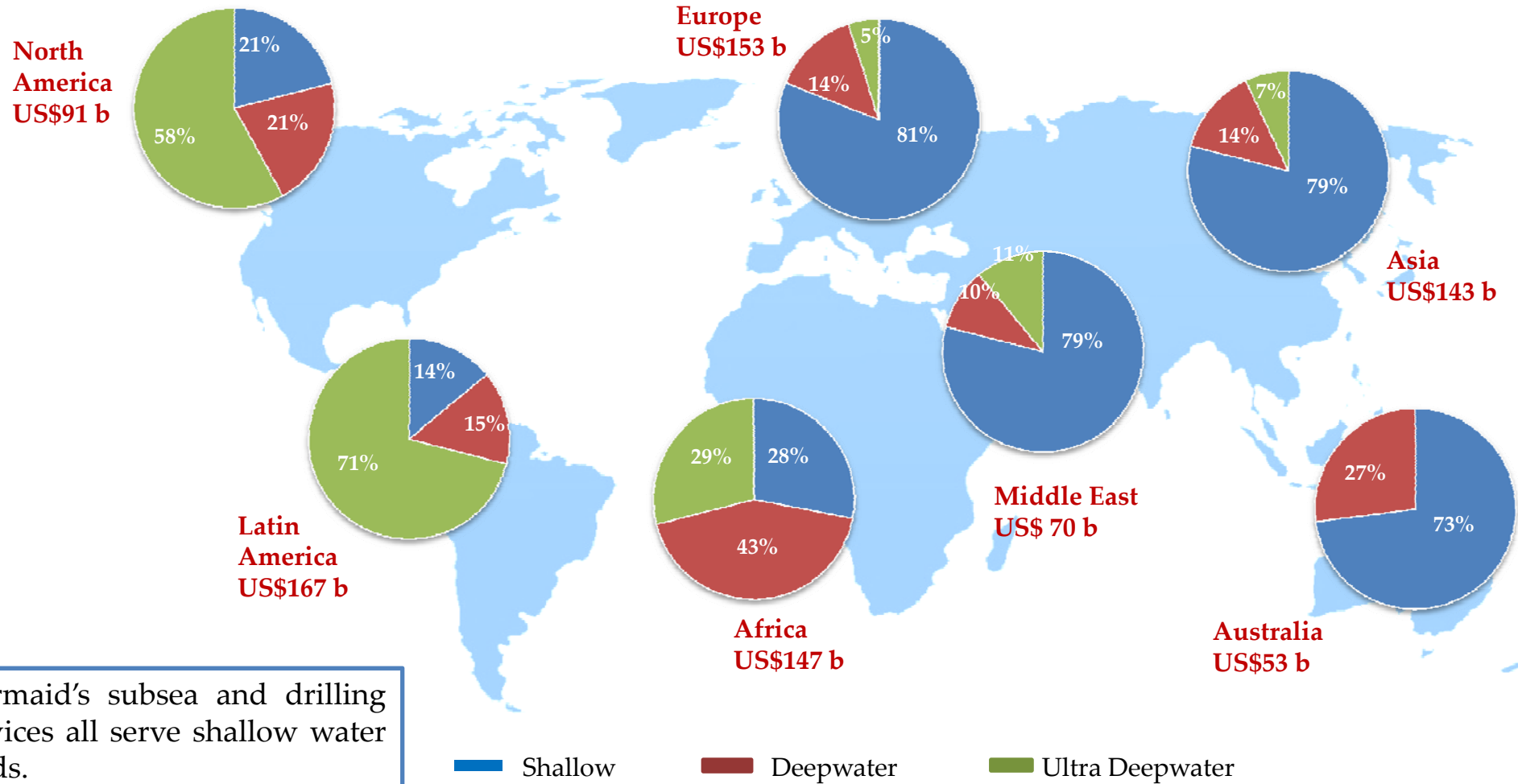
After the exploration boom in recent years and growth in jack-up demand and orders, the next wave of demand is also expected to shift to subsea services.



(Source: Strategic Offshore Research)



... and into shallow water plays with lower break even costs

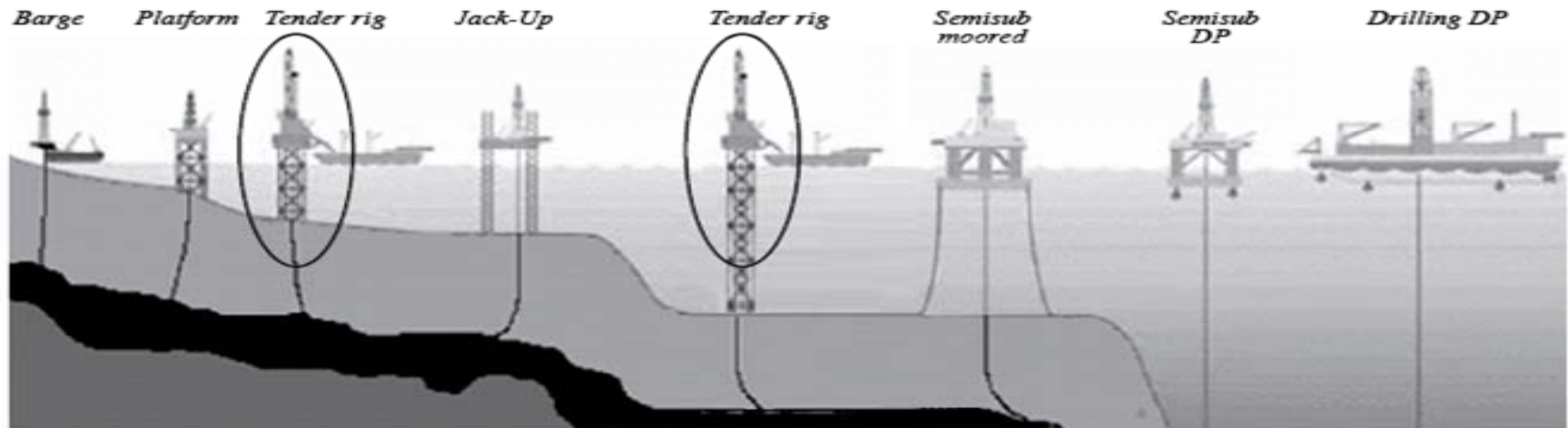


Mermaid's subsea and drilling services all serve shallow water fields.

Source: Infield Systems Limited, Global Offshore EPIC Capital Expenditure 2014-2019

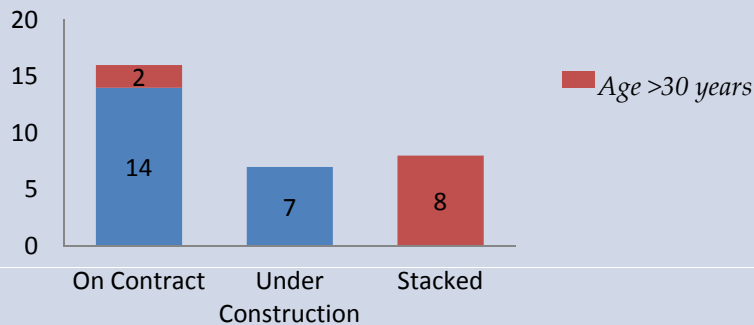


Tender rigs continue to have their niche



Young fleet enjoy 100% utilization

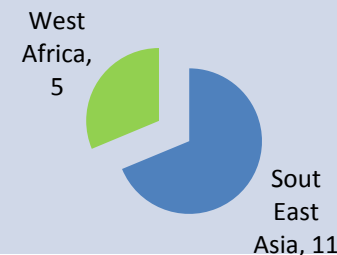
Tender rigs provide production drilling capabilities and can work in any seabed condition.



Preferred over jack-ups due to flexibility & lower cost.

Long term contracts offer stable earnings

Established niche market and customer acceptance in South East Asia and West Africa.



Day rates have been stable and strengthening with most recent reported fixture is USD 135,000/day .

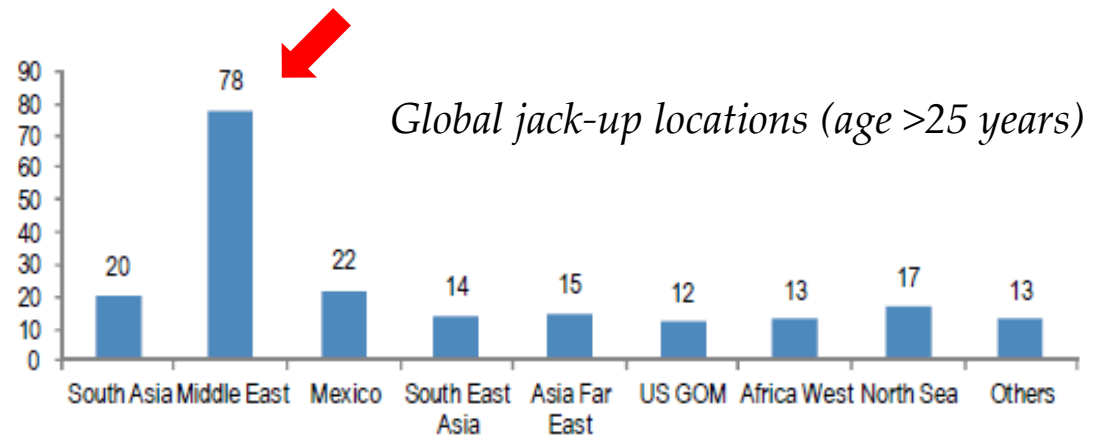
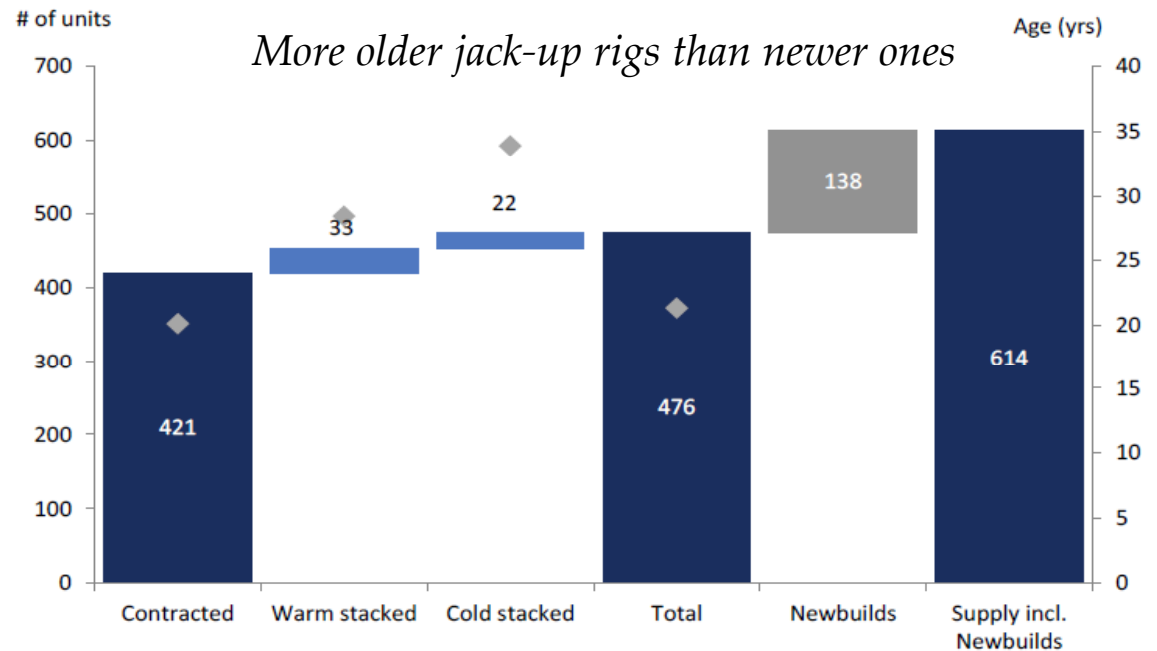


Newer jack-ups worked by seasoned operators should do well

- 55% of global jack-up fleet is above 25 years with customers preferring new.
- High concentration of older jack-ups in the Middle East where AOD rigs work.
- Incoming new-build supply expected to partially replace old units.



Jackup fleet overview





Agenda

3. Subsea Services



Mermaid's subsea fleet has built a strong reputation...

Mermaid Endurer



Owned

DP2 Dive Support Vessel (Built in 2010)

18-man saturation diving system plus air diving & ROVs

Specially designed for harsh weather conditions & high maneuverability

Equipped with 100mT AHC crane and accommodation for 86 persons

Panama Flag

Mermaid Asiana



Owned

DP2 Dive Support Vessel (Built in 2010)

12-man saturation diving system plus air diving & ROVs

Designed for operations in Middle East and Asia Pacific

Equipped with 100mT AHC crane and accommodation for 100 persons

Panama Flag

Mermaid Commander



Owned

DP2 Dive Support Vessel (Built in 1987)

16-man twin bell saturation diving system plus air diving & ROV

Outstanding reputation for diving operations worldwide

Equipped with 60mT crane and accommodation for 87 persons

Panama Flag



...offering a suite of vessels to meet customer requirements

Mermaid Sapphire



Owned

DP2 ROV & Air Dive Support Vessel (Built in 2009)

Specially modified for IRM capability, construction support and survey

Built up track record of Gulf of Thailand operations

Equipped with 23mT crane and accommodation for 60 personnel

Panama Flag

Barakuda



Owned

Offshore Support Vessel (Built in 1982)

ROV and air diving capabilities

Extensive track record for platform and underwater inspection

Omni-directional bow thruster and accommodation for 30 personnel

Indonesian Flag

Mermaid Challenger



Owned

Offshore Support Vessel (Built in 2008)

DP1 capable with 72-mT bollard-pull capacity

ROV capabilities and accommodation for 38 personnel

Suitable for support duties

Panama Flag



Charter-in vessels added to boost up Middle East demand...

Mubarak Supporter



Charter-in

Bourbon Evolution



Charter-in

Siem Daya 2



Charter-in

DP2 Construction Barge (Built in 2014)

Custom built for subsea cable lay and flexible pipe lay support

Equipped with a 250mT crane and 8 point mooring capability

Self-propelled with accommodation for 206 personnel

United Arab Emirates flag

DP3 Multipurpose Subsea Support Vessel (Built in 2012)

Capabilities include lifting and installation, diving, ROVs, survey, floatel

Equipped with a 150mT AHC main crane and 40mT AHC auxillary crane

1,200m2 deck space and accommodation for 105 personnel

Luxembourg flag

DP3 Subsea Construction Vessel (Built in 2013)

Construction and installation work, IRM

Equipped with a 250mT AHC crane

1,300m2 deck space and accommodation for 110 personnel

Cyprus flag



... and supporting continual growth in South East Asia...

Mermaid Nusantara



Charter-in

DP2 Dive Support Vessel (Built in 2010)

15-man saturation diving system plus air diving system, ROVs

Equipped with 50mT subsea crane, 40mT AHC crane

700m2 deck space and accommodation up to 120 personnel

Indonesian flag

Endeavour



Charter-in

DP2 ROV & Air Dive Support Vessel (Built in 2008)

Specially modified for IRM capability, construction support and survey

Equipped with 25mT main crane, 3mT general purpose crane

Permanently fitted with ROVs and has accommodation for 57 personnel

Indonesian flag

Resolution



Charter-in

DP2 ROV & Air Dive Support Vessel (Built in 2013)

Specially modified for IRM capability, construction support and survey

Equipped with 20mT main crane, 3mT general purpose crane

Permanently fitted with ROVs and has accommodation for 60 personnel

Indonesian flag



...by delivering an essential service to oil and gas majors

Under Construction

Mermaid Ausana



Owned

Subsea Dive Support & Construction Vessel (Delivery 2016)

18-man twin saturation diving system, ROV and construction capabilities

Excellent speed, reduced fuel consumption, high safety level

MT6024 is a proven Norwegian design for deployment worldwide

Singapore flag

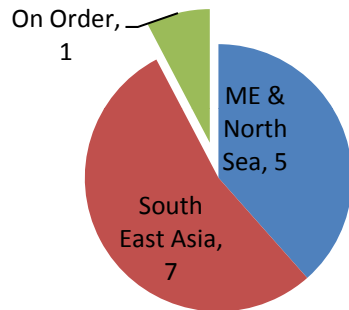


Essential Services

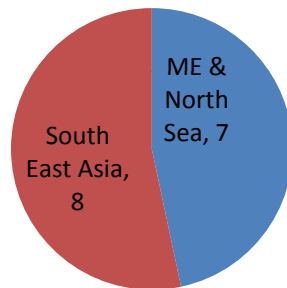
Repeat Business

Geographical & Product Expansion

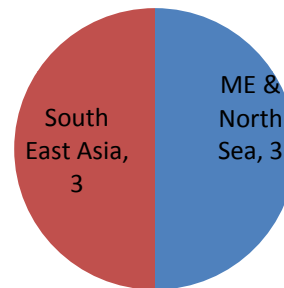
Excellent Safety & Performance Record



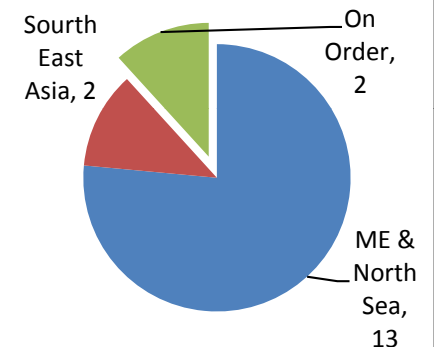
Fleet



ROVs



Sat Systems



Air Dive Systems

Asset Locations*



Agenda

4. Drilling Services



Mermaid's tender rig upgrades proceeding as planned...

Tender Rigs (Existing)

MTR-1 Barge



Available

MTR-2 Tender Drilling Rig



On Contract

Accommodation Barge & Tender Rig

Both rigs have established track record

MTR-1 suitable for accommodation barge services

MTR-2 reputed for light weight package & efficiency

Worked for oil majors such as Petronas, Chevron

MTR-1 Singapore Flag & MTR-2 Thai Flag

Tender Rigs (Under Construction)

MTR-3 Tender Drilling Rig



Delivery 2016

MTR-4 Tender Drilling Rig



Delivery 2016

Performance Class Tender Drilling Rigs

50% larger deck & storage space

200 personnel accommodation & 21st century design

Drilling package faster rig up time

Heave compensated heavy lift crane

Both Singapore Flag (delivery 2016)



...with AOD jack-ups remaining a stable long term investment

AOD I Jack-up Rig*



On Contract

AOD II Jack-up Rig*



On Contract

AOD III Jack-up Rig*



On Contract

High Specification Jack-Up Rigs

Built and delivered in 2013 from Keppel FELS yard in Singapore

Each unit awarded 3+1 year drilling contract in Saudi Arabia

Customized to suit customer field requirements

Performing at high technical and economic utilization

All Panama Flag



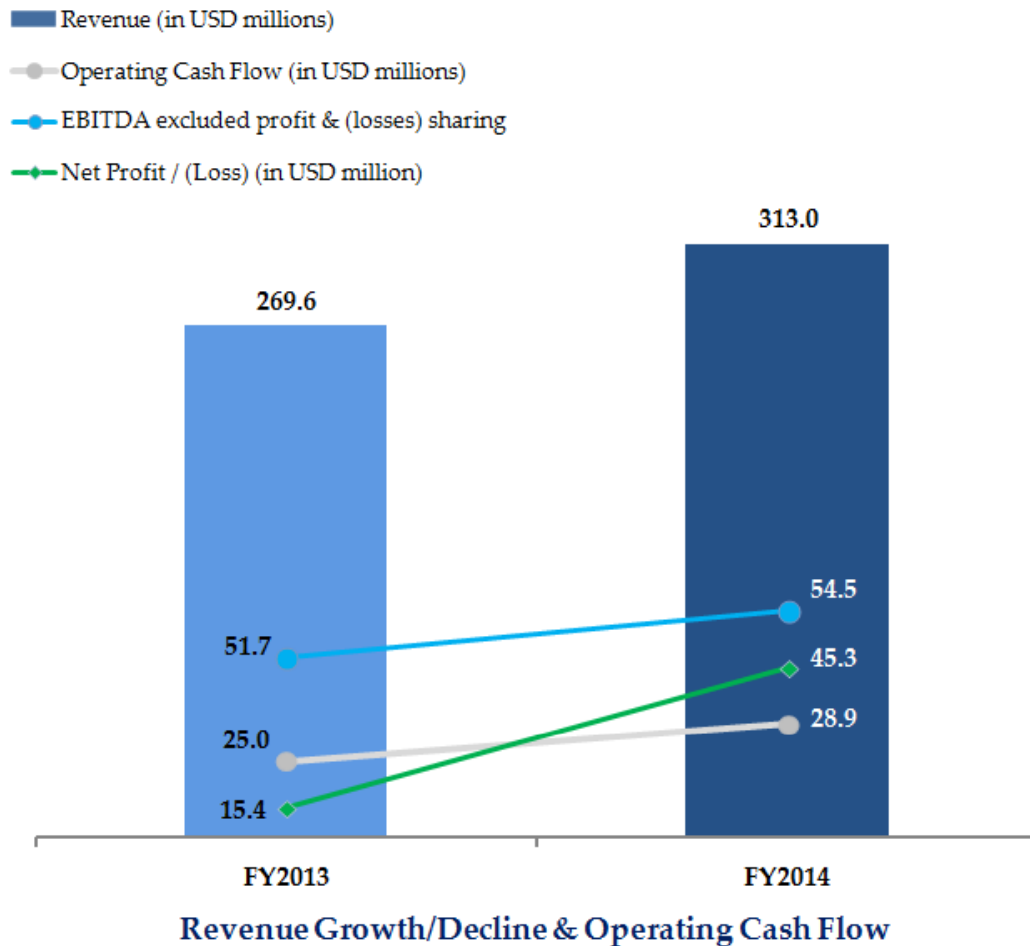
Agenda

5. Financial Review & Order Book



FY2014 Financial Highlights

Year on Year Comparison

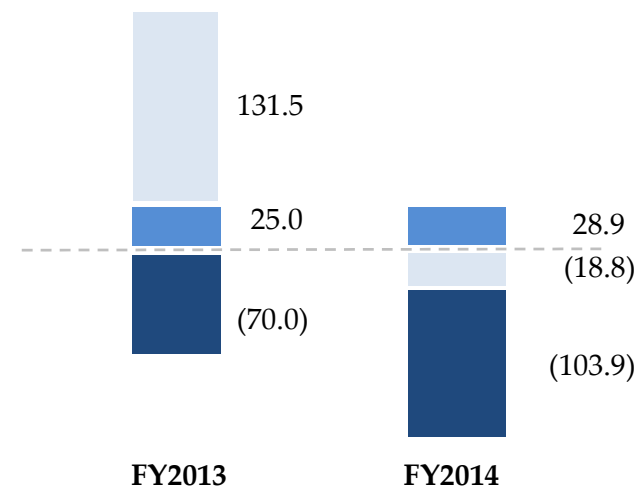


	FY2013	FY2014
Cash & Cash Equivalents	148.8	55.8
Short-term Deposits	0.0	25.0
Restricted Deposits at Financial Institutions	4.0	4.0

Cash deployed to fund new build initial payments & project costs

All units in USD millions

- CF from Financing
- CF From Operations
- CF from Investments



Cash Flow



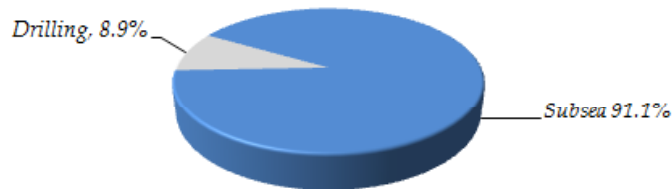
FY2014 Sector Breakdown

All units in USD millions

	FY2013	FY2014	FY2014 (no Siam)
Service Income			
Subsea Services	246.0	285.1	281.5
Drilling Services	23.5	27.8	
Operating Profit/(Loss)			
Subsea Services	22.4	23.8	33.1
Drilling Services	(2.4)	4.4	
Operating Margin			
Subsea Services	9.1%	8.3%	11.8%
Drilling Services	(10.0%)	15.8%	
Utilization Rate*			
Subsea Services	69.2%	65.9%	74.5%
Drilling Services	58.3%	48.9%	

Revenue Breakdown

FY2014



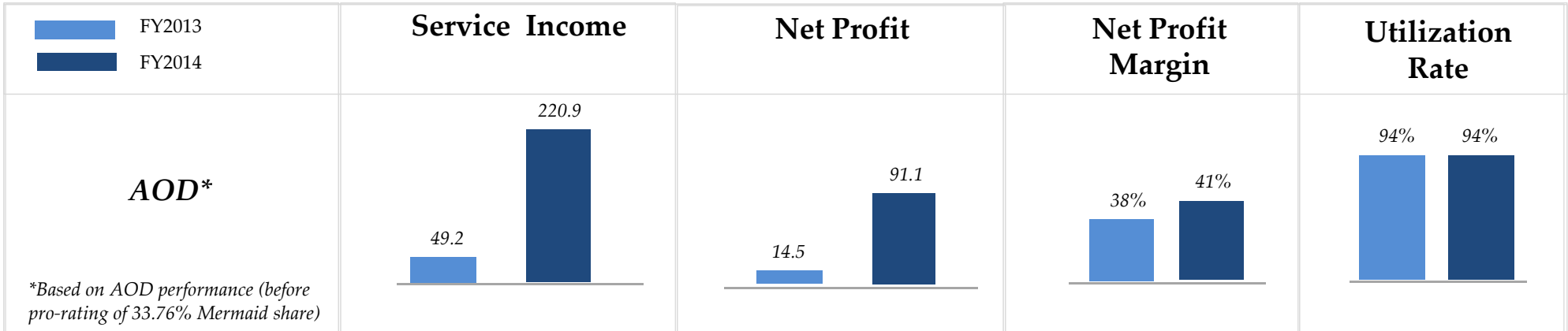
Operating Profit/(Loss) Breakdown





FY2014 Associate Performance : Asia Offshore Drilling

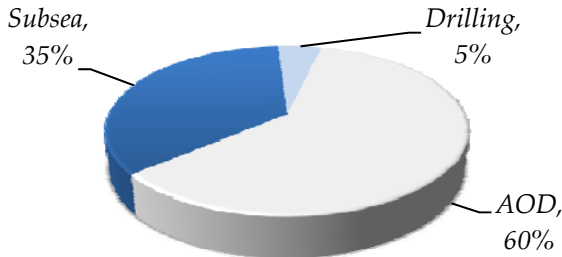
All units in USD millions



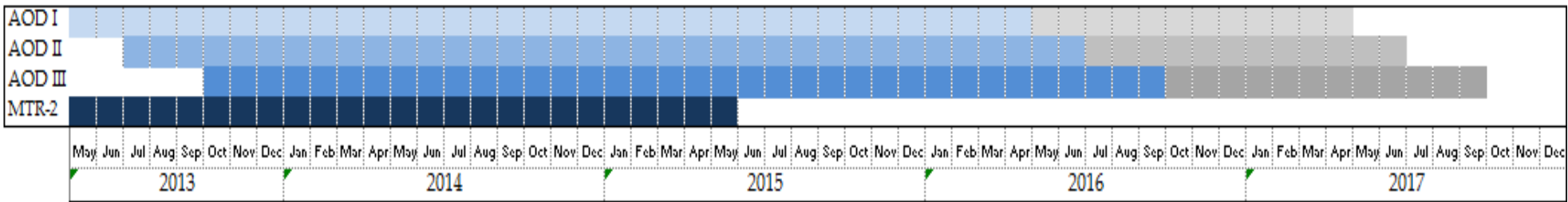
*AOD financial year Jan - Dec

Not to scale. For illustrative purpose only.

Net Profit Breakdown



Contract Period



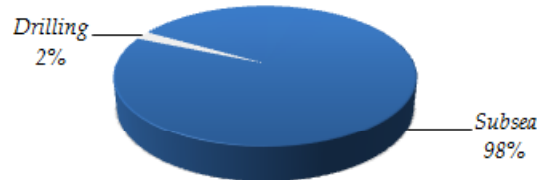


Sector Order Book*

Overall

~USD 470 Million*

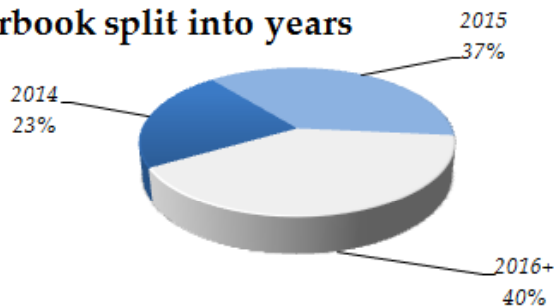
Orderbook split by business



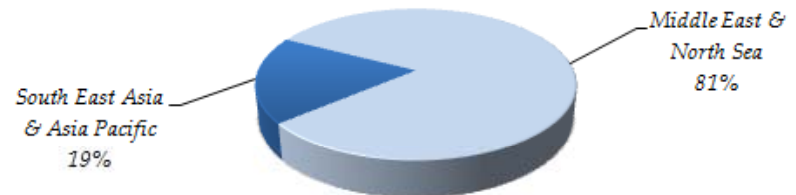
* Order book from 1 October 2014 not including AOD pro-rata contribution of an additional ~USD 110 million (USD 580 million total)

Subsea

Orderbook split into years

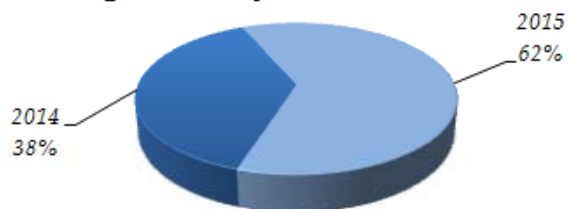


Orderbook split by geography

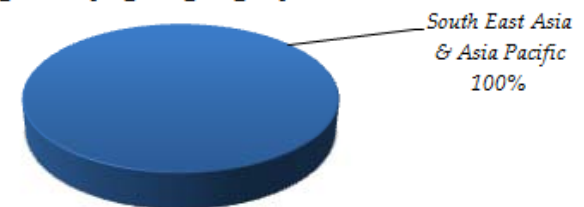


Drilling

Orderbook split into years



Orderbook split by geography





Mermaid Group Statement of Financial Position

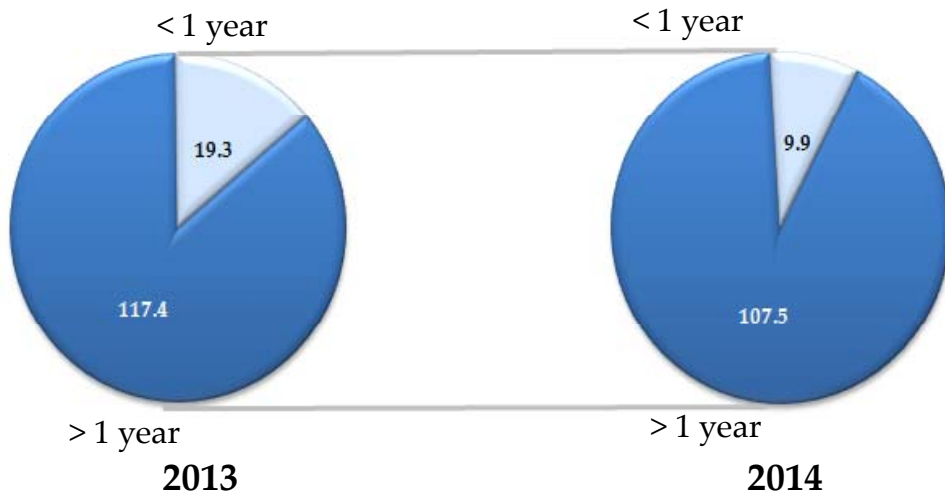
USD	<i>FY2012</i> <i>30 Sept 2012</i>	<i>FY2013</i> <i>30 Sept 2013</i>	<i>FY2014</i> <i>30 Sept 2014</i>
Cash & Equivalents + Short term deposit	62.3	148.8	80.9
Current Assets	136.5	267.0	221.2
Non-Current Assets	399.7	445.4	526.0
Current Liabilities	33.9	73.0	75.0
Non-Current Liabilities	126.4	122.6	110.5
Net Debt	68.4	(12.1)	36.6
Shareholder's Funds	375.9	516.8	561.8
Net Debt / Equity (%)	18.2	(2.3)	6.5
Current Ratio (x)	4.0	3.7	3.0



Debt Structure

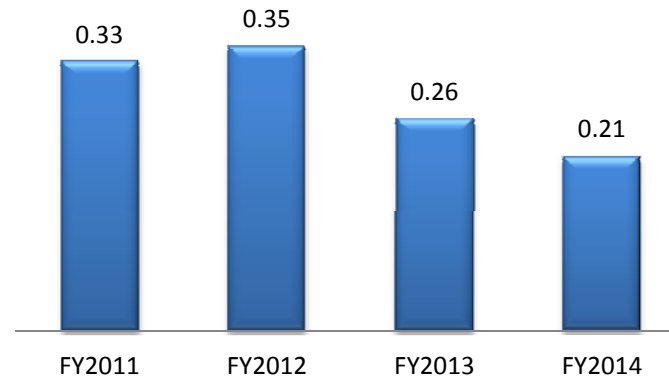
Units in USD millions

Loan Maturity

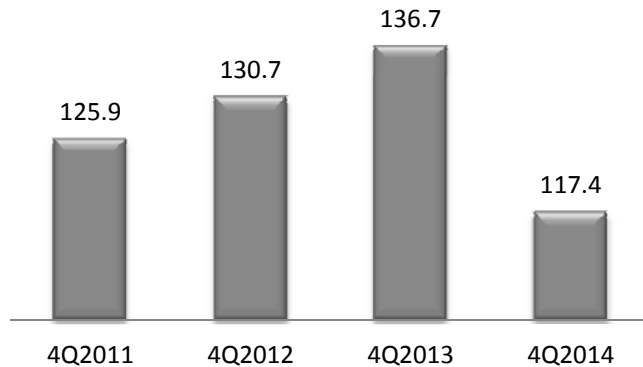


Gross D/E (Times)

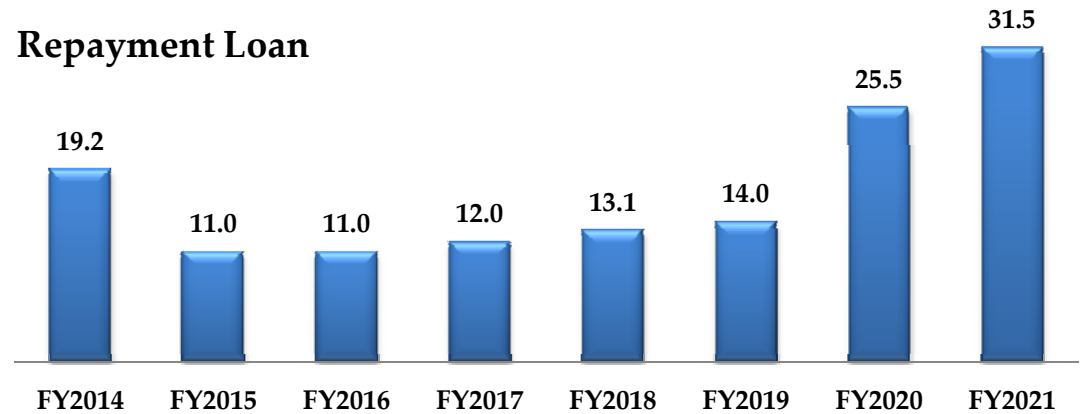
Low D/E ratio allows financial flexibility



Loan Outstanding

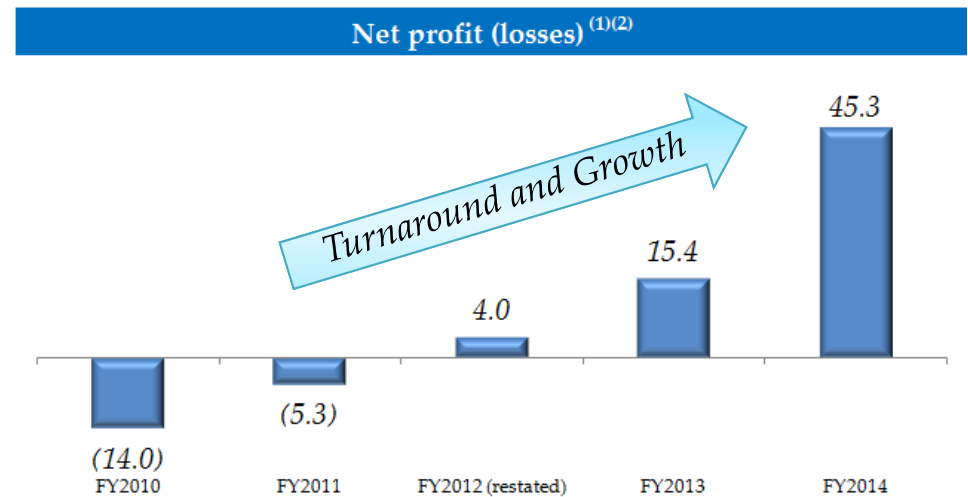
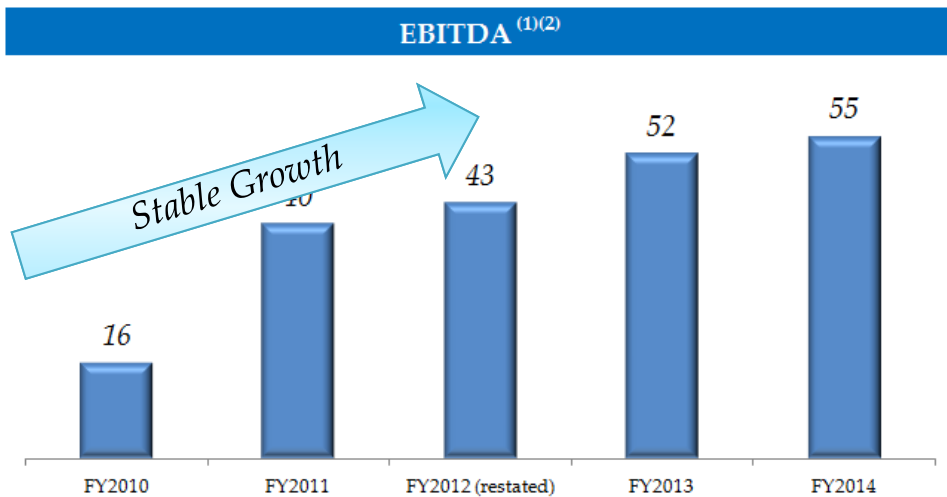
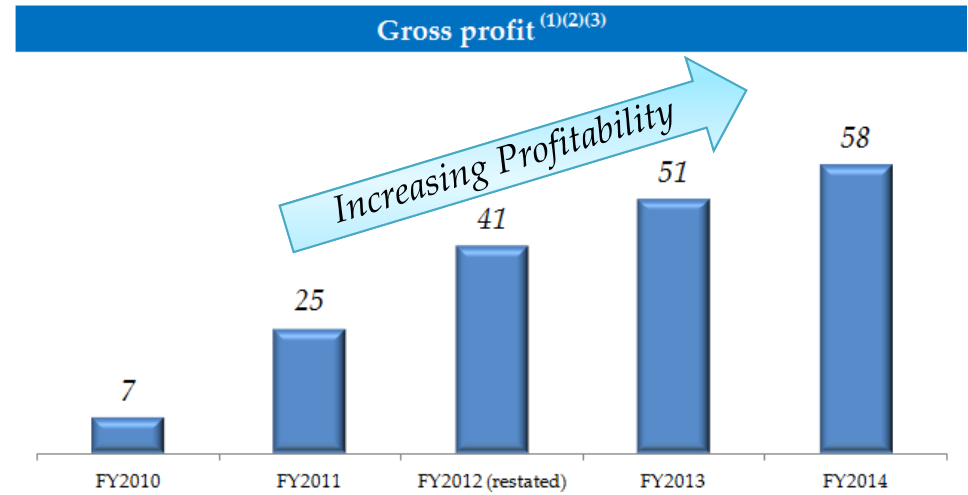
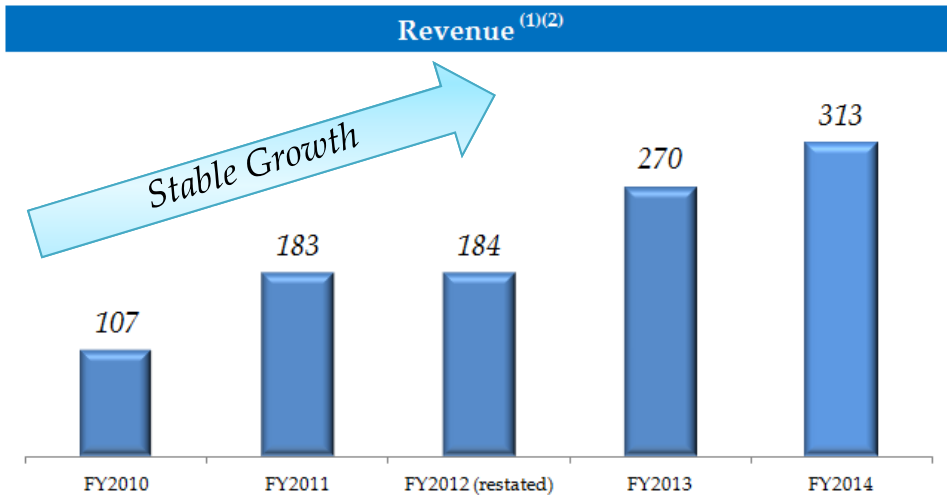


Repayment Loan





Group Profit and Loss Highlights



1 Fiscal year ended 30 September

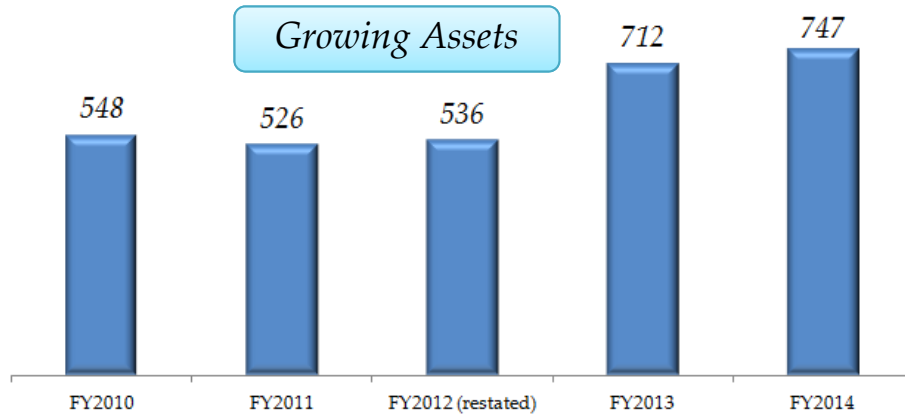
2 Net profit attributable to owners of the parent

3 Gross profit included depreciation & amortization

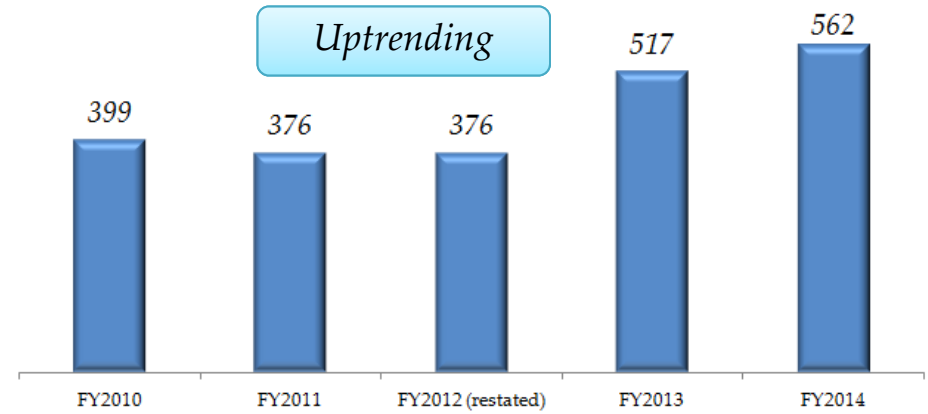


Group Balance Sheet Highlights

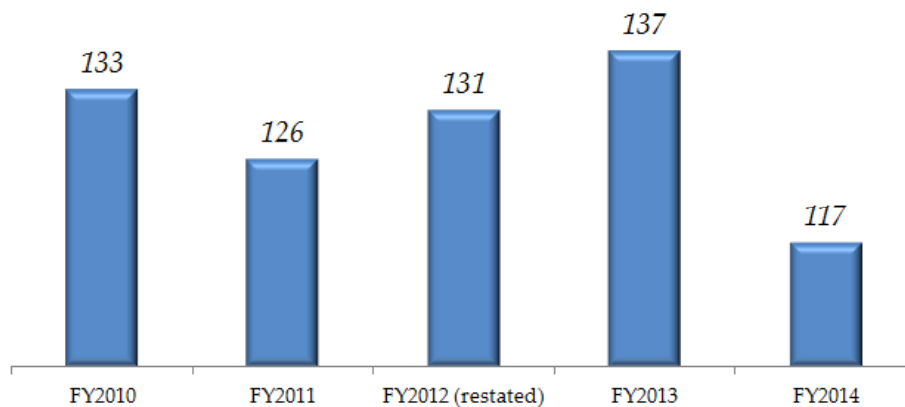
Total assets ⁽¹⁾⁽²⁾



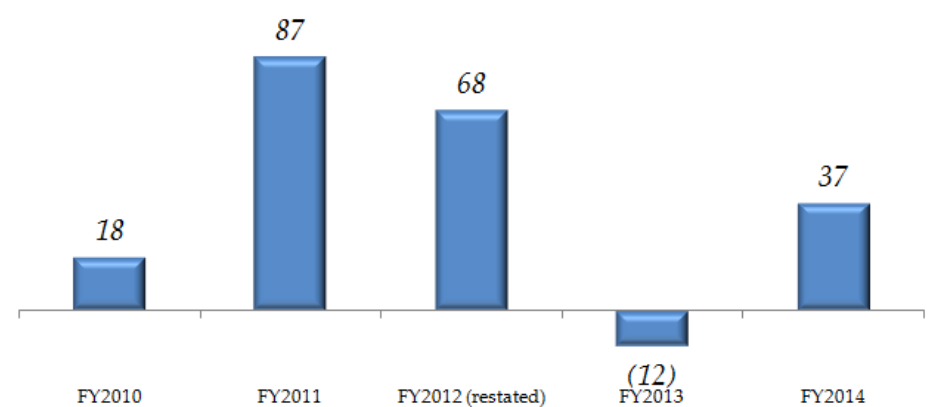
Shareholders' equity ⁽¹⁾⁽²⁾



Gross debt ⁽¹⁾⁽²⁾



Net debt ⁽¹⁾⁽²⁾



Note:

1 Fiscal year ended 30 September

2 Excluding non-controlling interest

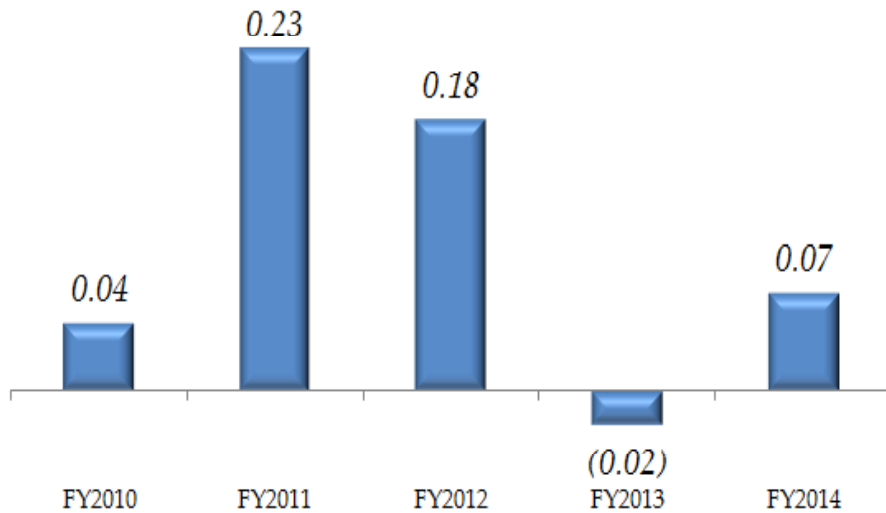
www.mermaid-maritime.com

Financially Disciplined



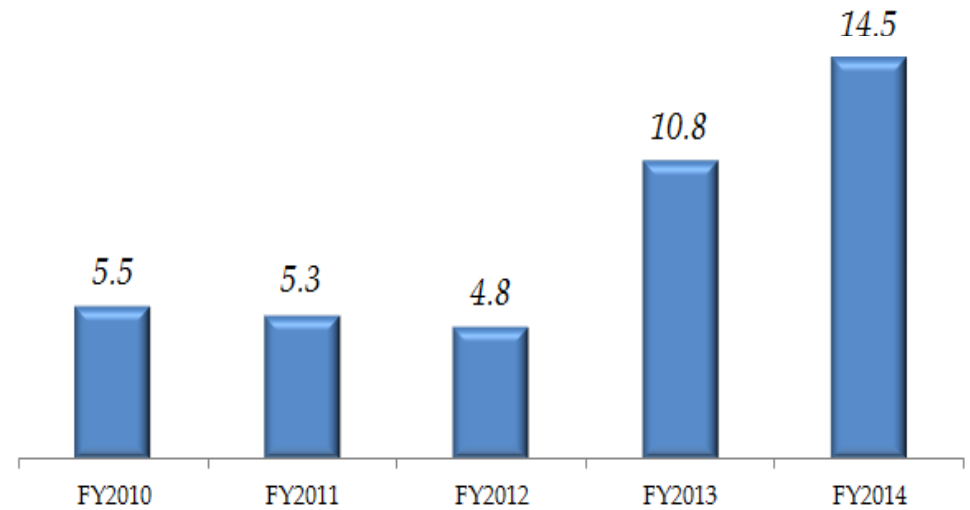
Group Financial Ratios

Net debt to equity ⁽¹⁾⁽²⁾⁽³⁾



Room for Fund Raising

Interest cover ⁽¹⁾⁽²⁾⁽³⁾



Sustainable Interest Coverage

- Note:
- 1 Fiscal year ended 30 September
 - 2 Defined as ratio of total external indebtedness (net of cash and equivalents) owed to bank and financial institutions to shareholders' equity
 - 3 Defined as ratio of EBITDA to financial expenses



Agenda

6. Summary



Mermaid's Key Investment Highlights

1. Shallow water biased fleet offering defensive play
2. Presence in cabotage markets benefiting from local expansion
3. Focus on production phase hence stable and long-term
4. Product and area expansion in growing ME and SEA markets
5. Stable management team with strong track record
6. Strong order book and tendering providing backbone earnings
7. AOD investment stable with 3x jack-up rigs on contract to 2016
8. Young owned & chartered-in fleet attractive to oil and gas majors
9. Very low gearing with room for further expansion
10. Year-on-year earnings growth is proven track record