



**MERMAID MARITIME PUBLIC COMPANY LIMITED**

**บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)**

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**For Immediate Release**

## **Mermaid Maritime Public Company Limited 2015 First Quarter Financial Statements Announcement**

### **Highlights**

- **Net loss at USD16m mainly due to three subsea vessels off-hire given dry dock maintenance and uncontracted chartered-in subsea vessel**
- **MTR-1 and MTR-2 tender rigs on cold stack, prospective buyers secured**
- **Net order book of USD443 million for work stretching to 2017**
- **Strong financial position with modest net gearing, MTN program set-up**

*“We entered 2015 well aware of the formidable industry challenges resulting from the combination of lower oil prices, customers’ cutback in E&P spending and excess industry capacity. We remain focused to realize further cost reductions and improve operating efficiencies while upholding our high service standards. Our superior balance sheet position puts us in good stead not only to compete but also take advantage of opportunistic acquisitions. We will continue to pursue both product and geographical market expansion strategy.”*

*Mr. Chalermchai Mahagitsiri, Chief Executive Officer*

*May 15, 2015*

	For the Quarter ended 31 Mar, 2015	For the Quarter ended 31 Mar, 2014	Change
	USD million	USD million	%
Revenue from services	60.8	63.7	(4.6)
Share of profit from associates	7.1	8.6	(17.4)
Profit attributable to shareholders	(15.9)	5.2	(405.8)
Cash and cash equivalents at the end of period	80.4	88.7	(9.4)
Earnings / (Loss) per share (US Cents)	(1.1)	0.4	(375.0)

**SINGAPORE & THAILAND** – 15 May 2015 – Mainboard-listed Mermaid Maritime Public Company Limited (“**Mermaid**”, “**MMT**” or the “**Group**”), a leading provider of subsea and drilling services for the global offshore oil and gas industry, today announced the financial results for the three month period ended 31 March 2015 (“1QCY2015”). The Group reported a net loss of USD15.9 million, and this compares against previous corresponding quarter in 2014 (“1QCY2014”) of USD5.2 million net profit.

On a consolidated basis, the Group reported a modest 4.6% Year-on-Year (“yoy”) decline in 1QCY2015 revenues to USD60.8 million. As the Group’s tender rigs were idle during the quarter, these revenues were Subsea, which service income grew by 10.9% yoy underpinned by new cable lay projects in the Middle East. Subsea revenues would have been larger if not for the dry docking maintenance of three of our highest-performing vessels. The Group suffered losses at the gross margin level mainly due to low subsea vessel utilization. Drilling had USD0.8m gross loss and the Group has since cold stack both tender rigs.

Drilling associate Asia Offshore Drilling (“AOD”) also reported weaker USD7.1 million profit for 1QCY2015, a decline of 17% yoy mainly on higher operating costs. This is notwithstanding the strong jack-up rigs, AOD I, AOD II and AOD III utilization rates of 96%, 100% and 100% respectively, compared to the utilization rate of 75%, 96% and 99% respectively for 1QCY2014.

The Group’s cash and cash equivalents remains solid at USD80.4 million (31 December 2014: USD89.4 million). With total borrowings at USD111 million, this represents a low net gearing ratio of 5.6% (31 December 2014: 4.1%).

While the current environment is challenging and may weigh on the overall results, the Group remains cautiously optimistic on its overall competitive position underpinned by net order book of USD443m (excluding Asia Offshore Drilling contract) for work stretching to 2017. The Group will focus on cost management, continue to leverage on its strong track record, and expand product capabilities. The group’s solid balance sheet will financially help the group weather the downturn better, combined with the recent set up of the MTN program, the group is in a strong position to capitalize on opportunistic expansion with potential distressed asset up for sale.

Notwithstanding the quarter’s weak results, the Group’s outlook remains relatively resilient, given its niche service focus on the lower-cost producing oilfields and production. It is encouraging that

the Group has since secured contracts for all three high performing vessels that was off-hire last quarter due to the periodical dry dock maintenance program.

In the subsea business, the Group will continue its product and geographical expansion plans to move up the value chain with focus on the comparatively more stable South East Asian and Middle East markets. In particular, the Group is pleased to report the turnaround of the cable laying business during the quarter, which previously suffered some initial execution issues. The Group is tendering aggressively for contracts, and the Group is cautiously optimistic on deployment of our remaining vessels.

In drilling, the Group is renewing its current fleet by replacing MTR-1 and MTR-2 with two newbuild rigs currently under construction in China. The Group is intensifying efforts to seek contracts for these newbuilds, 'MTR-3' and 'MTR-4', and this includes entering new markets in the region. MTR-3 and MTR-4 are high performance class tender assist drilling rigs, and when delivered, it would be the most advanced tender rigs in the market.

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## **Mermaid Maritime Public Company Limited**

Mermaid is well established and recognized by the industry for its high quality services delivered professionally, safely and efficiently, and has developed a strong blue chip customer base that includes some of the world's largest Oil and Gas Majors. With world class operations, logistics and maintenance bases in key geographical locations, Mermaid is able to facilitate the expeditious and efficient mobilization of vessels, personnel and equipment to customer locations.

Mermaid's subsea division is represented by Mermaid Subsea Services, which operates as a unified structured unit across markets offering customers a comprehensive range of subsea solutions through a suite of specialized subsea vessels, diving equipment, remotely operated vehicles, and a highly competent technical and operations workforce operating out of Thailand, Indonesia, Singapore, Qatar, United Arab Emirates and Saudi Arabia.

Mermaid's drilling division comprises Mermaid Drilling, which provides tender-assist drilling and accommodation barge services through its ownership and investments of two (2) tender rigs, and associate interest in Asia Offshore Drilling with three (3) high specification premium jack-up drilling rigs recently delivered in 2013 from the construction yard in Singapore and now deployed in the Middle East. Mermaid Drilling also has an additional two (2) 'performance class' new build tender rigs under construction in China with delivery scheduled for 2016.

The company's vision is to be a premium service provider in the oil and gas services industry and to consistently deliver enhanced return to its shareholders. To this end, the company's mission is to deliver a world class service to the region from within the region.

For more information, please visit [www.mermaid-maritime.com](http://www.mermaid-maritime.com)