



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

For Immediate Release

Mermaid Maritime Public Company Limited 2015 First Half Financial Statements Announcement

Highlights

- Marginal 1H 2015 loss on strong 2Q 2015 earnings turnaround
- Subsea earnings turnaround in 2Q 2015 on seasonal factors and three highest earning vessel resuming service after 1Q dry dock program
- New cable laying business continue to gain traction and deliver higher profits in 2Q 2015
- MTR-2 tender rig conservatively reclassified from Asset for Sale to Fixed Asset given weak markets, additional USD1.5m depreciation charge taken
- Still steady income contribution from drilling associate Asia Offshore Drilling as 'pass through' bare boat charter rate yet to reflect recent lower day rate

"Considering the significant industry challenges amidst the collapse in global oil prices and cut back in global E&P spending, we are satisfied over Mermaid Maritime second quarter performance. While the industry outlook remains weak, and could potentially be made worse by volatile trading markets, we will stay focused on maintaining our excellent client service track record and customer trust. We are financially strong to weather the downturn."

Mr. Chalermchai Mahagitsiri, Chief Executive Officer

	For the Quarter ended 30 Jun, 2015	For the Quarter ended 30 Jun, 2014	Change	For the Six-Month period ended 30 Jun, 2015	For the Six-Month period ended 30 Jun, 2014	Change
	USD million	USD million	%	USD million	USD million	%
Revenue from services	107.5	77.8	38.2	168.2	141.5	18.9
Share of profit from associates & JV	7.5	7.4	1.4	14.7	16.0	(8.1)
Profit attributable to shareholders	15.4	13.0	18.5	(0.4)	18.2	(102.2)
Cash and cash equivalents at the end of period	61.9	84.8	(27.0)	61.9	84.8	(27.0)
Earnings per share (US Cents)	1.1	0.9	22.2	-	1.3	(100.0)

SINGAPORE & THAILAND – 14 August 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 six month period ended 30 June 2015 (“1HCY2015”). With a strong turnaround in second quarter 2015 earnings to USD 15.4 million (“2QCY2015”), the Group lowered its overall losses to USD 0.4 million. The Group had earlier reported a first quarter net loss of USD 15.9 million mainly due to extensive dry docking program for three of its highest earnings vessels.

In the 2QCY2015, on a consolidated basis, the Group reported a significant 38.2% Year-on-Year (“yoy”) increase in revenues to USD107.5 million. As the Group’s tender rigs were idle during the quarter, these revenues were Subsea, which service income grew by 51% yoy underpinned by new cable lay projects in the Middle East and strong same fleet revenue growth of 3% yoy. Other than seasonal factors, the Group saw higher subsea business activities with all three of the Group’s highest earnings vessel resuming service after 1Q dry dock program. This, and with the other vessels that were also deployed during the quarter drove up overall subsea utilisation rate to 74% with 675 working days, compared to 1QCY2015’s 33% (296 days), and 2QCY2014’s 71% (585 days). It was also particularly encouraging to not only finally deploy the chartered in vessel Windermere in June after several months of extensive marketing, our new cable laying venture continue to gain traction and deliver higher profits; all of these helping to boost EBITDA to USD 18.6 million, a 20% yoy growth.

By profits, Subsea was the main earnings contributor at a higher USD 11.7 million net profit compared to last year corresponding period USD 6.6 million. Drilling earnings fell to USD 4.0 million this quarter (compared to last year’s USD 7.4 million), mainly due to the Group’s decision to conservatively book depreciation cost for the Group’s tender rig MTR-2, which is pending for sale. This includes an additional depreciation charge of USD 1.5 million in 2QCY2015. For drilling associate, Asia Offshore Drilling, notwithstanding its earlier announcement to the Singapore stock exchange of a 10% discount rate to day rates for customer Saudi Aramco starting April 1, 2015, equity income contribution remain steady as its ‘pass through’ bare boat charter has yet to reflect the reduction. This explains the still high equity income contribution of USD7.1 million for the quarter.

Weighed by the sharply lower oil price environment, operating conditions in the oil and gas industry is undoubtedly going to stay challenging with most oil companies still resorting to cutting back exploration and development spending budgets. While the Group is not entirely immune to the industry weakness, the Group remain cautiously optimistic on overall competitive position underpinned by still healthy net order book of USD358 million (excluding Asia Offshore Drilling contract) for work stretching to 2018. Apart from the Group's focus on more resilient E&P markets such as Middle East as well as more stable production phase segment, the Group will focus on cost management and will continue to leverage on its strong track record, and expanded product capabilities to sustain earnings. The Group is actively marketing for contracts, and is cautiously optimistic on prospective contract for new tender rig currently under construction in China as well as prospective contract for MTR-2 tender rig in the Gulf of Thailand.

The Group's cash and cash equivalents remains healthy at USD61.9 million (31 December 2014: USD89.4 million), and with total borrowings at USD117.3 million, this represents a modest net gearing ratio of 10% (31 December 2014: 3.4%). With limited near-term refinancing needs, the Group is financially strong. The Group will remain focused on creating shareholder value, and this includes capitalizing on opportunistic expansion with potential distressed asset up for sale.

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For analysts' and media enquiries, please contact:

Analysts

Yanisa Dechapahul

Investor Relations

+66 2 250 0570 Ext 293

yanisa.d@mermaid-maritime.com

Media

Ravisada Angkeeros

Associate Director, Corporate Communications

+66 2 254 8437 Ext 393

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