



CORPORATE PRESENTATION

Suntec Singapore International Convention & Exhibition Centre

25 March 2019

mermaid-group.com

AGENDA

- Corporate Introduction
- Financial Review
- Market Review & Business Outlook



CORPORATE INTRODUCTION

Having served the Oil & Gas industry for over 30 years, Mermaid boasts a proven track record of subsea excellence. With operations throughout South East Asia and the Middle East, Mermaid plays a pioneering role in the global subsea markets. Mermaid has the ability provide a subsea solution, in any water depth which involve complex and challenging engineering, in any region of the world for the Oil and Gas markets.

Owning and operating a fleet of subsea construction, intervention and survey vessels that enable us to offer differentiated positions with our clients, Mermaid focuses on long term relationships that enhance our service delivery and reduce overall risk.

With a team of over 1,000 people worldwide our core business is in subsea engineering, IRM, project management, vessel chartering and operations, survey, ROV and diving operations. Our Mission is to provide subsea engineering solutions to the offshore oil & gas industry that are safe, efficient and on budget, every time.

“We operate internationally, as one integrated group, globally aware and locally sensitive ”



Mr. Prasert Bunsumpun
Chairman

30+ years industry experience including CEO of Thailand's National Oil Company PTT and Chairman of PTT Exploration and Production



Mr. Chalermchai Mahagitsiri
Executive Vice Chairman & CEO

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

VISION, MISSION, VALUES



VISION

To become the leading integrated subsea service provider by delivering technically-unique solutions and creating high value for our customers and shareholders.



MISSION

To provide subsea engineering solutions to the offshore oil & gas industry that are safe, efficient and on budget, every time.



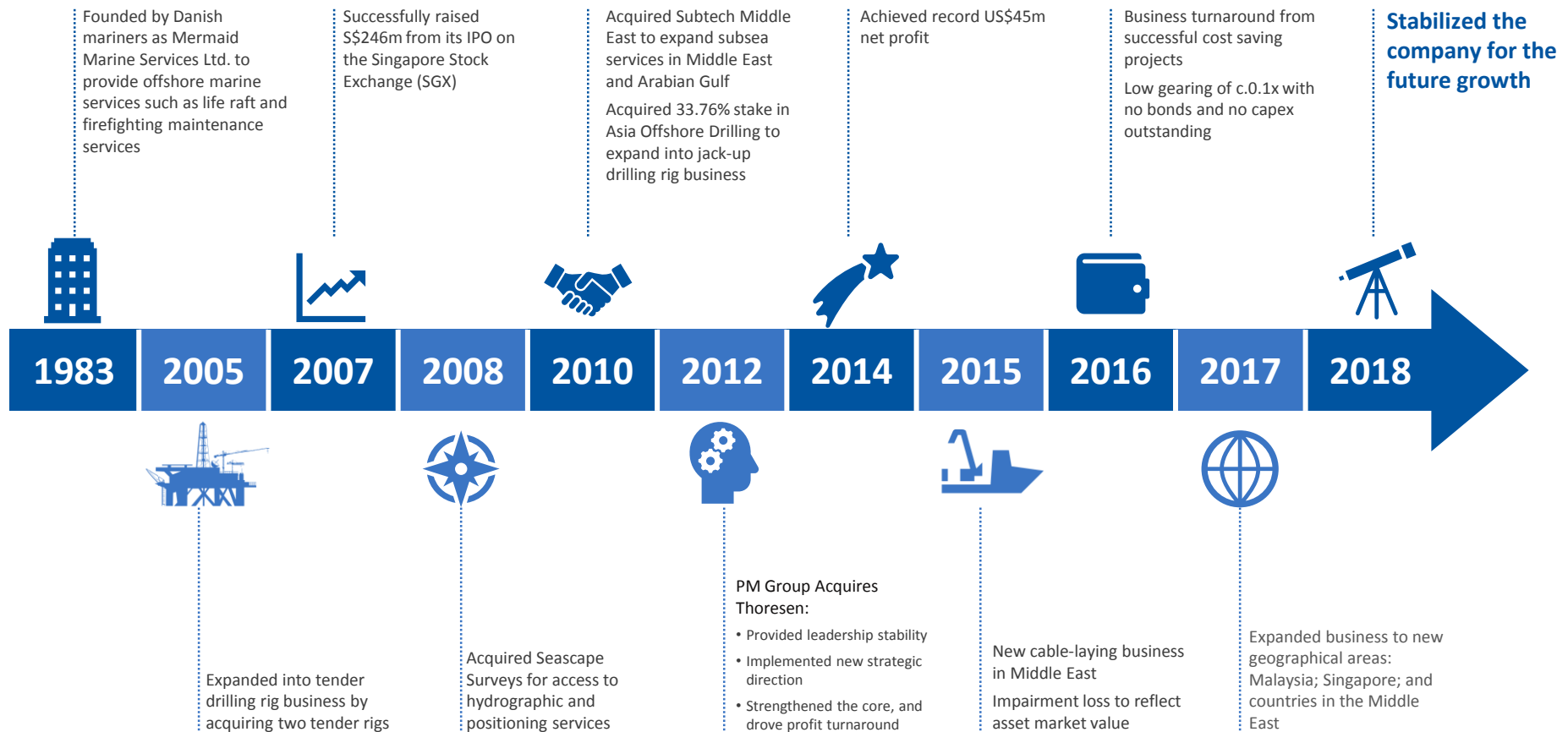
VALUES

Respect
Enhancing Value
Safety Commitment & Performance
Protecting the Environment
Ethical Business Standards
Compliance with Policies & Procedures
Technically Leading Solutions

MERMAID MILESTONES



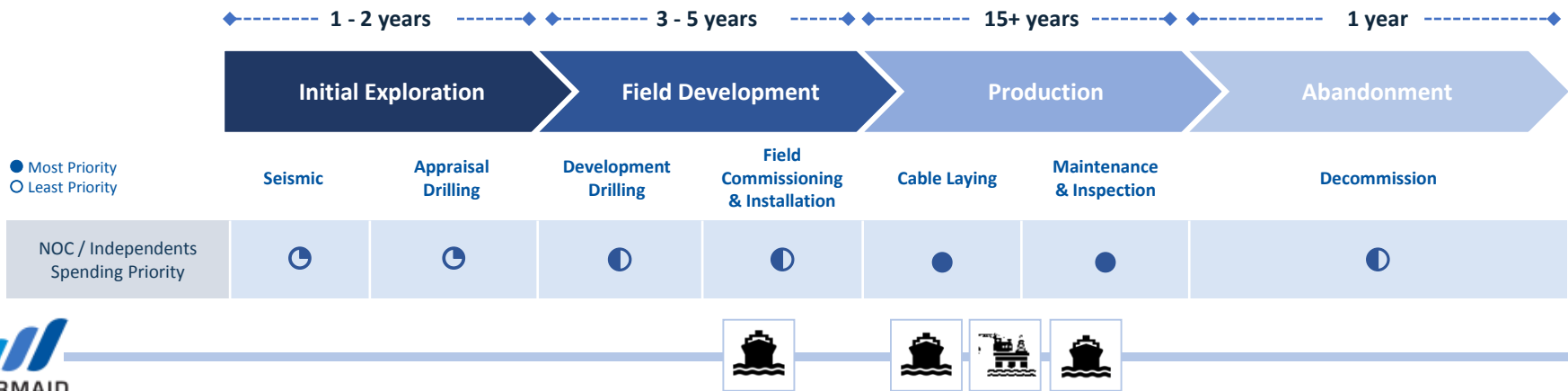
MERMAID



GLOBAL SERVICE SPECIALIST



“Predominantly focused on the production phase of the offshore oil and gas value chain.”



SUBSEA



Field Development - Subsea support vessels assist in, among other things, survey and preparations of the seabed, installation of modules, umbilical cables and risers, as well as provision of Remotely Operated Vehicles (ROVs) or divers for tie-in and testing.

Production - Once installed, the equipment is surveyed and maintained, together with both larger repair and development campaigns.

Abandonment - To cease efforts to find or produce from a well or field, and to plug well and salvage material and equipment - subsea vessels are utilized.

Subsea engineering services also include Underwater Cable Laying Services for telecommunications, electric power transmissions, or other purposes.

DRILLING



Jack-up Rig is a mobile self-elevating drilling platform equipped with legs that can be lowered down to the ocean floor. Once a foundation is established, the drilling platform is elevated to a level above the highest expected wave height. When the rig is relocated, the platform is lowered to sea level and towed by a supply vessel to its next location.

FLEET & ASSETS

Owned Vessels



Endurer

Built 2010
DSV
Middle East



Asiana

Built 2010
DSV
Middle East



Commander

Built 1987
DSV
Thailand



Sapphire

Built 2009
RSV
Middle East



Challenger

Built 2008
MV
Thailand



Siam

Built 1991
DCSB
Middle East



Barakuda

Built 1982
SS
Indonesia

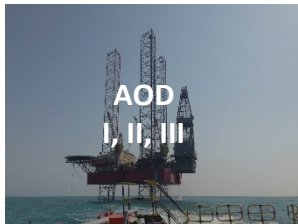
Our Subsea Fleet and Asset specialize in IRM, survey and construction installation support, subsea decommissioning, subsea vessels and specialized work ROV services.

Complex IRM operations are made efficient through Mermaids ongoing innovation and dedicated people.

Subsea Services:

- Cable & SURF Installation
- Full compliment of Subsea Engineering
- Inspection, Repair & Maintenance (IRM)
- Subsea Infrastructure Installation Support
- Remotely Operated Vehicle (ROV) Support
- Survey and Positioning Services

Drilling Services



Assets & Equipment



OUR CLIENTS

National Oil & Gas Companies



International Oil & Gas Companies



Major EPCIC Contractors





FINANCIAL REVIEW

SUBSEA REVENUE

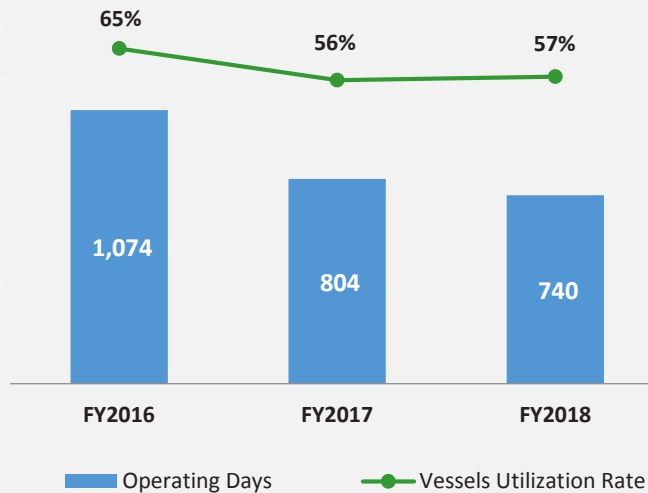
Subsea Services Revenue	FY2018		FY2017		FY2016	
	%	USD MM	%	USD MM	%	USD MM
Subsea Services						
IRM	100%	94.8	100%	144.7	95%	175.5
Cable laying	0%	0.0	0%	0.0	5%	9.7
Total		94.8		144.7		185.2

Regional Revenue	FY2018		FY2017		FY2016*	
	%	USD MM	%	USD MM	%	USD MM
Subsea Services						
Middle East	80%	75.4	61%	88.5	60%	104.1
South East Asia	20%	19.4	39%	55.7	34%	59.8
East Asia	0%	0.0	0%	0.5	6%	10.8
Europe	0%	0.0	0%	0.0	0%	0.5
Africa	0%	0.0	0%	0.0	0%	0.3
Total		94.8		144.7		175.5

*Excluding cable laying revenue

SUBSEA OWNED FLEET UTILIZATION

4-Major Owned Fleet Utilization



Non-Performing Vessels



Mermaid Siam



Barakuda



Mermaid Challenger

Four Major Owned Vessels



Mermaid Asiana

Working in Middle East with 1+1 year contract



Mermaid Endurer

Supporting demand in Middle East market



Mermaid Commander

Supporting demand in South East Asia market



Mermaid Sapphire

Mobilized to work in Middle East in 2018

PROFIT & LOSS



MERMAID

Profit and Loss for the Year	FY2018		FY2017		FY2016	
	USD MM	% of Revenue	USD MM	% of Revenue	USD MM	% of Revenue
Revenue from Services	94.8	100.0%	144.7	100.0%	185.2	100.0%
Costs of Services	(86.2)	90.9%	(103.3)	71.4%	(131.4)	71.0%
Gross Profit	8.6	9.1%	41.4	28.6%	53.8	29.0%
Admin Expenses, Other Expenses, Other Income	(20.9)	22.0%	(18.7)	12.9%	(26.4)	14.3%
EBITDA from Operation	(12.3)	-13.0%	22.7	15.7%	27.4	14.8%
Share of Profit of Associates & Joint Venture	8.1	8.5%	4.7	3.2%	11.5	6.2%
Depreciation and Amortization	(18.3)	19.3%	(19.5)	13.5%	(21.0)	11.3%
EBIT	(22.5)	-23.7%	7.9	5.5%	17.9	9.7%
Finance Costs	(3.9)	4.1%	(3.6)	2.5%	(3.5)	1.9%
Profit (Loss) Before Tax	(26.4)	-27.8%	4.3	3.0%	14.4	7.8%
Tax (Expenses) Benefit	(0.9)	0.9%	(0.1)	0.1%	2.8	1.5%
Net Profit (Loss) for the Year	(27.3)	-28.8%	4.2	2.9%	17.2	9.3%
Earnings (Losses) Per Share (US cents)	(1.9)		0.3		1.2	

VESSEL RUNNING COSTS

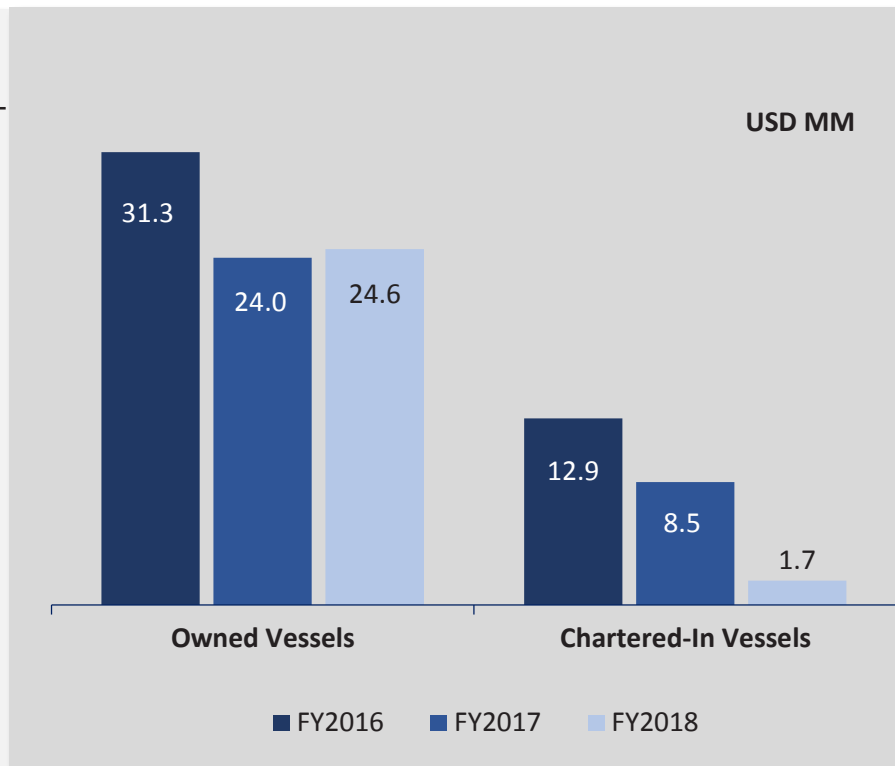
Owned Vessel Running Costs were stable

Owned Vessels

- Vessel running costs was remained the same as FY2017. The slight increase from last year was due to repair and maintenance cost.

Chartered-In Vessels

- Resolution had been chartered-in until end of July 2018 and was returned to Owner.
- No chartered-in vessel at the end of FY2018.



HEALTHY & STRONG BALANCE SHEET



MERMAID

Balance Sheet (USD MM)	31 Dec 2018	31 Dec 2017	31 Dec 2016
Cash & Cash Equivalents and Deposits	54.5	68.7	89.8
Trade Accounts Receivable	35.9	62.1	65.3
Other Current Assets	8.5	11.0	19.0
Total Current Assets	98.9	141.8	174.1
Restricted deposit at banks	14.6	12.8	8.0
Investment in Associates & JV	121.5	108.2	86.3
Property, Plant and Equipment	169.4	182.9	198.2
Other Non-Current Assets	5.2	5.4	5.5
Total Non- Current Assets	310.7	309.3	298.0
Total Assets	409.6	451.1	472.1
Trade Accounts Payable	5.2	4.8	5.8
Current Portion of Long-term Borrowings	15.9	11.9	9.9
Other Payable	19.2	22.2	35.8
Total Current Liabilities	40.3	38.9	51.5
Long-Term Borrowings	51.8	67.7	79.6
Other Non-Current Liabilities	2.6	2.3	2.7
Total Non-Current Liabilities	54.4	70.0	82.3
Total Liabilities	94.7	108.9	133.8
Total Equity	314.9	342.2	338.3

(USD MM)	31 Dec 2018	31 Dec 2017	31 Dec 2016
Interest Bearing Debt			
Asset-backed Financing	67.7	79.6	89.5
Unsecured Loan	-	-	-
Finance lease	0.1	0.2	-
Total Debt	67.8	79.8	89.5
Cash, Deposits and Bank Balances	(69.1)	(81.5)	(97.8)
Total Debt, Net of Cash	(1.3)	(1.7)	(8.3)
Shareholders' Equity	314.9	342.2	338.3
Net Gearing	-0.4%	-0.5%	-2.4%

Financial Ratio:

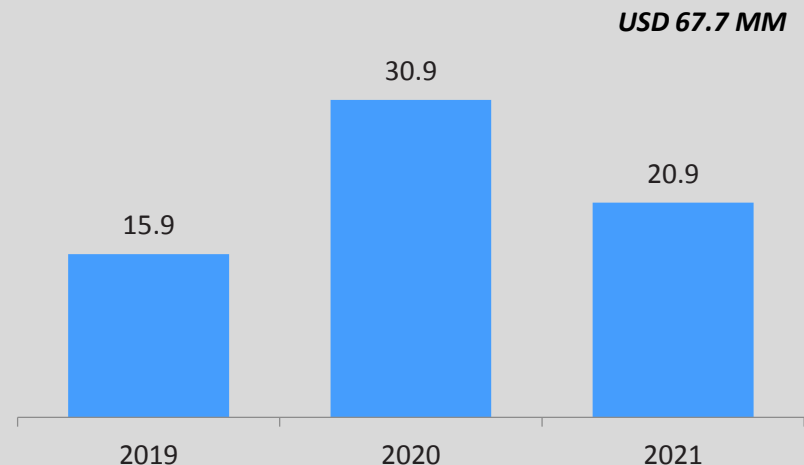
- Current Ratio = 2.45x
- Liabilities to Equity Ratio = 0.30x
- Net Debt to Equity Ratio = 0.21x
- Net Gearing = -0.4% (Positive cash balance)

DEBT MATURITY PROFILE

Interest-Bearing Debt Maturity USD 67.7 MM (31 December 2018)

- As at 31 December 2018, there is USD **67.7 million** of long-term loan and no short-term loan.
- The majority of debt maturity profile is from 2020 onward.
- Liquidity risk is still low with high financial flexibility.

Asset-Backed Debt



POSITIVE CASH FLOWS FROM OPERATIONS

Cash Flows (USD MM)	FY2018	FY2017	FY2016
Cash Flow From Operating Activities:			
Before Changes in Working Capital	(10.2)	23.4	37.5
Changes in Working Capital	20.9	(9.7)	19.1
Others	(0.9)	(2.4)	(4.2)
	9.8	11.3	52.4
Cash Flow From Investing Activities:			
Increase in Current Investments	(17.8)	-	-
Proceeds from Short-term Deposit at Financial Institutions	-	28.0	(28.0)
Increase in advance payment for investment	-	(17.3)	-
Acquisition of Investment in Associate	(5.2)	-	-
Proceeds from Sale of Property, Plant and Equipment	4.0	-	-
Acquisition of Property, Plant and Equipment and Intangible Assets	(7.5)	(3.1)	(5.3)
Dividend and Interest Received	0.7	0.9	7.1
	(25.8)	8.5	(26.2)
Cash Flow From Financing Activities:			
Repayment of Borrowings	(12.0)	(10.0)	(18.0)
Finance Costs Paid	(3.8)	(3.5)	(3.4)
	(15.8)	(13.5)	(21.4)
Net increase (decrease) in cash and cash equivalents	(31.8)	6.3	4.8
Effect of Exchange Rates	(0.4)	0.6	(0.4)
Beginning Balance as at 1 January	68.7	61.8	57.4
Cash Balance as at 31 December *	36.5	68.7	61.8

**Excluding restricted cash*

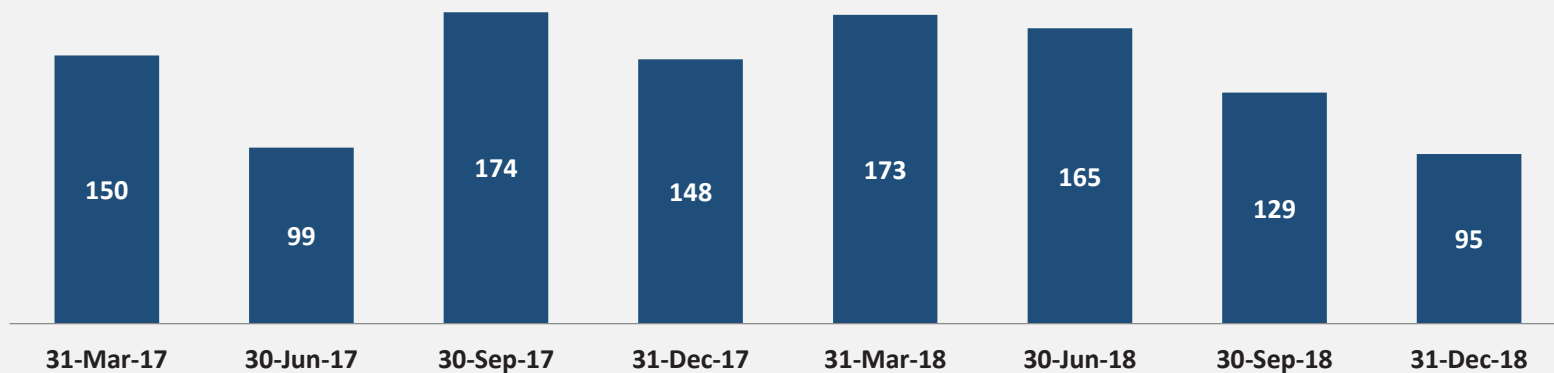
ORDER BOOK



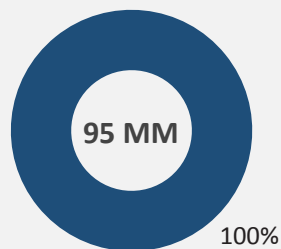
MERMAID

Total Order Book (excluding AOD)

USD MM

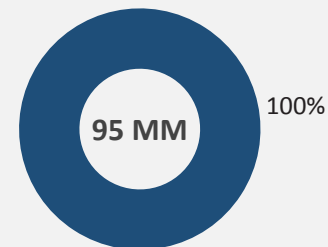


Order Book by Region



■ Middle East ■ Asia Pacific & SEA

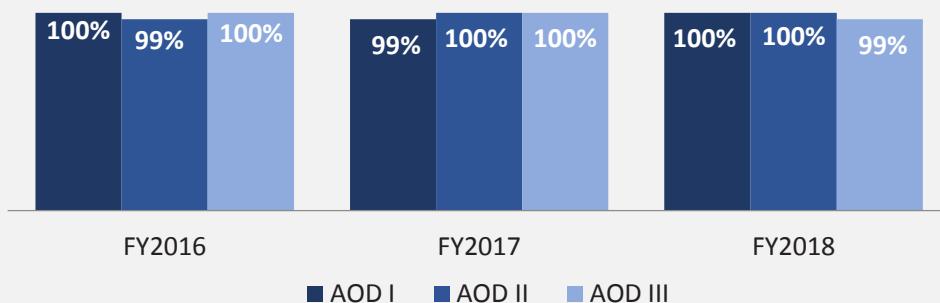
Order Book by Year



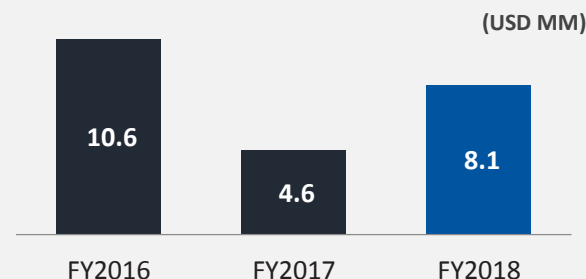
■ FY2019 ■ FY2020 ■ FY2021+

AOD's 3 RIGS CONTRACT

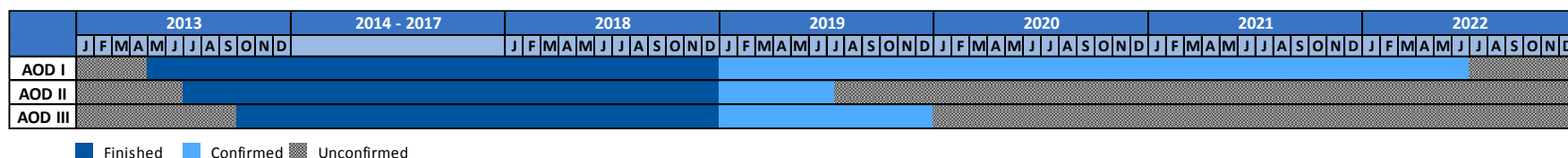
AOD Rigs Utilization



Share of Profit of Associates



- Excellent performance in FY2018, 99-100% average utilization for 3 rigs.
- Share of profits increased when compared to the last year due to Bareboat Chartered rate increasing.
- The outstanding balance of Senior Secured Credit Facility as at 31 December 2018 remained at US\$ 210 million.
- AOD I has secured contract extension for another three years with the same customer commencing from July 2019 through June 2022.





MARKET REVIEW & BUSINESS OUTLOOK

Oil Prices' Volatility

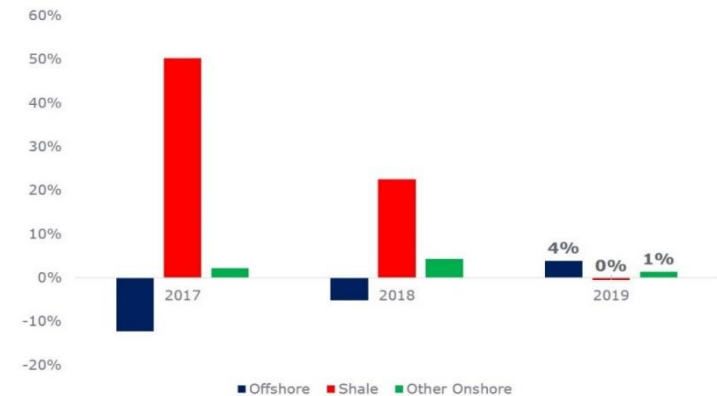
- Brent price increased by more than 20% and hit a four-year high of \$86/bbl in October 2018, but throughout the rest of the year it was dragged down to as low as \$50-55/bbl.
- Factors influencing the current global oil prices:
 - On the supply side there is tension between OPEC, led by Saudi Arabia who is exceeding its pledge as part of the deal reached in January to remove 1.2 million barrels from the market, against the continued ramp up of U.S. oil production.
 - Coupled with this is the ongoing trade war and imposed tariffs between the US and China.
- Oil prices will continue to be under pressure in 2019, but they won't collapse. The world's major suppliers, Russia, Saudi Arabia, and China will continue to pump more oil into the market, as a slow-down in the global economy will taper demand.

Source: Bloomberg & Oilprice.com

Offshore Spending & Subsea Market

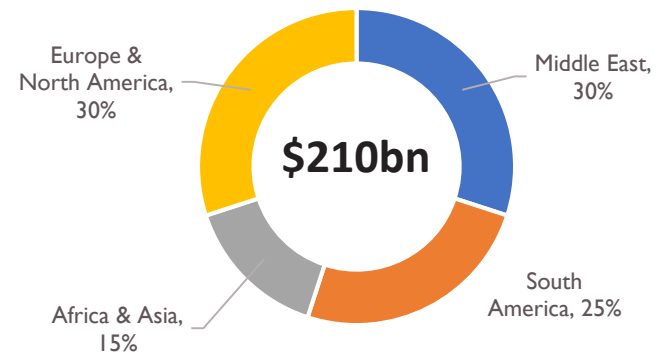
- Offshore service market and the maintenance, modifications and operations sector is projected to grow by 4% in 2019.
- Spending in the shale industry to stay flat.
- Market started to see an uptick in the number of new projects of 62 projects in 2017, some 90 projects in 2018, and over 100 projects in 2019
- Investments in the offshore sector are more robust whereby even with an oil price of \$50/bbl, investments are expected to increase for midwater and Deepwater E&P activities.
- Revenues to start growing in 2019, with 30% of 2019 projects value sits in Middle East, 25% in South America, 15% in both Africa and Asia, and the rest are in Europe and North America combined.
- Expenditure on subsea vessel operations to amount \$10-13 billion per year from 2019-2023, with subsea vessel demand days forecast to grow by 12%.

Oilfield service growth resource type



Source: Rystad Energy

2019 Offshore Spending



Source: Rystad Energy

BUSINESS OUTLOOK



1

Brent crude oil averaged \$57/b in December 2018, down from an average of \$81/b in October 2018. The decline in late 2018 largely reflected rising oil inventories. Prices also fell as a result of uncertainties about global economic indicators and future oil demand growth.

2

The outlook for offshore service contractors including subsea service providers currently appears to be positive as more than 100 new projects are aiming to be sanctioned in 2019.

3

According to Rystad Energy, 30% of the 2019 projects value sits in Middle East, 25% in South America, 15% in both Africa and Asia, and the rest in Europe and North America combined.

4

The Mermaid Asiana, Sapphire and Endurer continue to operate in the Middle East and will remain in the region for the foreseeable future as we still expect to achieve higher utilization rates throughout 2019.

BUSINESS OUTLOOK



5 MSS is currently positioning itself to secure lucrative cable and subsea engineering installation projects. Additionally, MSS continues to focus on the Gulf of Thailand decommissioning projects with alignments with heavy lift and decontaminate service providers.

6 Mermaid Commander is undergoing cold stacking. The other non-performing assets i.e. Challenger, Siam and Barakuda remain cold stacked and are marketed for sale.

7 MSS is reviewing options to secure larger DP3 OSCV's to enhance its subsea engineering capability in SURF, Cable installations and Deepwater operations to increase business activities in global markets.

8 All three jack-up drilling rigs 'AOD I', 'AOD II' and 'AOD III' remain on contract in the Middle East thus reducing downside risk as market recovers. AOD loan refinancing continues in progress.

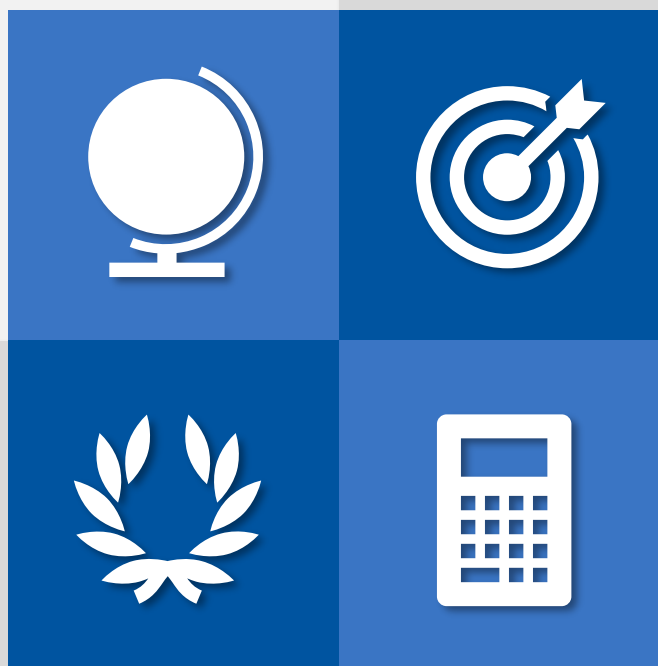
MERMAID'S POSITIONING



MERMAID

Wider Geographical Coverage

- Shallow water – more defensive and less affected by lower oil price. Several conventional projects will be carried-out in Mermaid's home markets continues.
- Mermaid expansion geographically into other markets such as North Sea, West Africa, Mediterranean continues.



Track Record of Quality and Safety, Modern Asset Base

- Excellent operational and safety record and stable management team.
- Robust subsea fleet with chartering-in plan to serve fluctuating demand.
- AOD's three jack-up drilling rigs contract extended to 2019 in the Middle East.

Core Business Focused, with an Addition of Integrated Service Packages

- Remain focused on IRM scopes, further enhancement internally with enhancing our in-house engineering suite of services.
- Offer an integrated range of subsea services with a revamped highly specialized workforce continues.

Fiscal Discipline

- Retain low gearing and sufficient cash reserve.
- Flexibility to take advantage of any opportunistic and organic growth that may present itself in the present time.



MERMAID

A Company Moving Forward



ir@mermaid-group.com



mermaid-group.com