



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Reg. No. 0107550000017)

26/28-29, 9<sup>th</sup> 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

### RESPONSE TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 30 DECEMBER 2019 REGARDING TRADING ACTIVITY

Mermaid Maritime Public Company Limited (“Mermaid” or the “Company”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 30 December 2019 regarding unusual volume movements in the Company’s shares on 30 December 2019, and sets out below its responses to the queries from the SGX-ST as follows:

#### **Question 1:**

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples. If yes, the information shall be announced immediately.

#### **Company’s Response:**

Mermaid’s associate company Asia Offshore Drilling Limited (“AOD”) owns three (3) jack-up drilling rigs ‘AOD I’, ‘AOD II’ and ‘AOD III’. Mermaid has a 33.76 percent equity stake in AOD and the remaining 66.24 percent equity is owned by an affiliate of Seadrill Limited (“Seadrill”).

The service contract for ‘AOD II’ is set to expire on 14 April 2020 and the service contract for ‘AOD III’ is set to expire on 31 December 2019. Another affiliate of Seadrill, as manager for the rigs, has been in negotiation for contracts extensions for both rigs with the same customer with whom the rigs have been operating for since 2013. As at close of trading hours on the Singapore Exchange today, the contract extension documents have not yet been finalized and executed.



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In the event that the contracts are finalized and executed based on negotiations to date, the extension for 'AOD II' and 'AOD III' may be for a possible period of up to three (3) years ending 14 April 2023 and 31 December 2022, respectively. The potential revenue from the potential contract extensions would be circa USD 199 million over the three (3) year period. However, the potential day rates would be **materially lower** than prevailing day rates for these rigs, thus resulting in potential reduced earnings contribution to Mermaid over that period.

For illustrative purposes, assuming that the above mentioned potential contract extensions for 'AOD II' and 'AOD III' had commenced and had been completed within the most recent financial year (the Company's last financial year ended on 31 December 2018), the performance by the Company of the potential contract extensions would have had a material adverse effect on the earnings per share of the Company (on a consolidated basis) given that the day rates secured for the potential extensions would be **materially lower** than the previous year's day rates, and a non-material effect on the net tangible assets per share of the Company (on a consolidated basis) for that financial year.

The Company shall make an announcement via SGXNet as and when the contract extensions for 'AOD II' and/or 'AOD III' are finalized and executed.

In addition to the above, the Company, as part of its ordinary course of business, continually bids for service contracts and conduct review of strategic options to enhance shareholder value. This includes, but is not limited to, holding exploratory discussions with parties regarding possible transactions such as business alliances and charter-in of additional vessels.

As at the date of this announcement, no definitive agreements of a material nature in relation to any such service contracts or other transactions have been entered into by the Company, its subsidiaries or associated companies, and there can be no assurance or reasonable certainty that any discussions or prospects will be successfully concluded.

Further announcements will be made by the Company via SGXNet as and when there are any material developments in compliance with the listing rules of the SGX-ST.

Save for the above, the Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.



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**Question 2:**

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

**Company's Response:**

Save for the above, the Company is not aware of any possible explanation for the unusual trading activity.

**Question 3:**

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

**Company's Response:**

The Company confirms that it is in compliance with the listing rules of SGX-ST and in particular Mainboard Rule 703.

BY ORDER OF THE BOARD

Vincent Siaw  
Executive Vice President & Chief Operating Officer  
Corporate Business Ventures

30 December 2019