



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมต มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

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‘AOD II’ JACK-UP RIG SUSPENDED FROM OPERATIONS DUE TO CHANGE IN DRILLING PROGRAM

Mermaid Maritime Public Company Limited (“Company”) wishes to announce that the jack-up drilling rig ‘AOD II’ owned by its associate Asia Offshore Drilling Limited (“AOD”) has temporarily suspended operations in the Middle East. This is a result of a notice of suspension from its ultimate customer, a reputable national oil and gas operator, and shall be for a period of up to twelve (12) months.

The suspension is due to the impact to the ultimate customer’s drilling program from adverse crude oil price movements affecting the oil and gas industry and with it the offshore drilling services sector. The ultimate customer also has the right to recall the rig back to work at any time during the suspension period.

AOD had earlier secured a three (3) year contract extension for ‘AOD II’ commencing on 15 April 2020 serving this ultimate customer. This suspension, which had commenced upon completion of the last well in progress, shall be at zero-day rate and will automatically extend the term of the contract for a period equal to the suspension.

The Company has a 33.76 percent equity stake in AOD and the remaining 66.24 percent equity is owned by a subsidiary of Seadrill Limited.

Financial Effects

Assuming that the contract suspension for ‘AOD II’ had commenced and had lasted for the duration of the most recent financial year (the Company’s last financial year ended 31 December 2019), the impact from this suspension would have had a material adverse effect on the earnings per share of the Company (on a consolidated basis) given that the rig would be on zero day rate and incur standby costs, and a non-material effect on the net tangible assets per share of the Company (on a consolidated basis) for that financial year.

Please be informed accordingly.

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

29 June 2020