

MERMAID MARITIME PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS (UNAUDITED)**

31 MARCH 2008

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AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Mermaid Maritime Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited as at 31 March 2008, and the related consolidated and company statements of income for the three-month and six-month periods ended 31 March 2008 and the related consolidated and the Company statements of changes in shareholders' equity, and cash flows for the six-month period ended 31 March 2008. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my review.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and company balance sheets of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited as at 30 September 2007, presented herewith for comparative purposes, are components of the financial statements for the year ended 30 September 2007 which were audited by another auditor in the same firm as myself, whose report dated 11 December 2007, expressed an unqualified opinion on those statements. I have not performed any other auditing procedures subsequent to the date of that report.

The consolidated and company statements of income for the three-month and six-month periods ended 31 March 2007, the statements of changes in shareholders' equity, and cash flows for the six-month period ended 31 March 2007 of Mermaid Maritime Public Company Limited and its subsidiaries and of Mermaid Maritime Public Company Limited, presented herewith for comparative purposes, are components of the interim consolidated and company financial statements for the six-month period ended 31 March 2007, which were reviewed by the same auditor as mentioned above, whose report dated 4 May 2007, stated that nothing had come to her attention that caused her to believe that those interim consolidated and company financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.



Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Limited

Bangkok
14 May 2008

Mermaid Maritime Public Company Limited

Balance Sheets

As at 31 March 2008 and 30 September 2007

		Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		31 March	30 September	31 March	30 September
		2008	2007	2008	2007
					Restated
Notes		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		3,796,340	511,700	3,365,759	21,139
Trade accounts receivable - others, net	5	970,097	966,140	-	-
- related parties	19	23	260	23	56
Amounts due from related parties	19	1,801	89	119,834	107,470
Short-term loans to related parties	19	30,792	-	505,265	108,000
Supplies and spare parts		130,379	113,581	-	-
Other current assets		248,152	226,892	19,234	89,952
Total current assets		5,177,584	1,818,662	4,010,115	326,617
Non-current assets					
Investments in subsidiaries - cost method	6	-	-	2,810,950	1,228,824
Investments in associates - equity method	6	383,903	-	-	-
Property, plant, and equipment, net	7	5,270,292	4,011,342	214,938	237,363
Intangible assets, net		6,718	10,317	5,667	9,131
Deferred tax assets	8	213,491	59,606	43,797	-
Other non-current assets		3,933	45,803	569	569
Total non-current assets		5,878,337	4,127,068	3,075,921	1,475,887
Total assets		11,055,921	5,945,730	7,086,036	1,802,504

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Balance Sheets (Cont'd)
As at 31 March 2008 and 30 September 2007

		Consolidated		Company	
		Unaudited 31 March 2008	Audited 30 September 2007	Unaudited 31 March 2008	Audited 30 September 2007 Restated
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	9	-	20,274	-	-
Short-term loans from financial institutions	10	-	201,578	-	-
Trade accounts payable - others		328,571	353,796	-	-
- related parties	19	520	46,778	18	16
Other accounts payable		9,115	20,898	1,928	8,682
Amounts due to related parties	19	1	1,269	358	-
Current portion of long-term loans from financial institutions	11	380,214	406,245	24,800	24,800
Current portion of finance lease liabilities	12	5,946	6,010	2,501	2,584
Income taxes payable		8,105	14,154	-	-
Accrued expenses		50,856	104,446	1,173	41,826
Other current liabilities		42,777	93,330	9,270	9,109
Total current liabilities		826,105	1,268,778	40,048	87,017
Non-current liabilities					
Long-term loans from financial institutions	11	1,460,215	1,773,410	73,200	85,600
Finance lease liabilities	12	4,987	5,149	1,351	2,200
Retirement benefit obligations		4,553	3,359	1,993	1,545
Total non-current liabilities		1,469,755	1,781,918	76,544	89,345
Total liabilities		2,295,860	3,050,696	116,592	176,362
Shareholders' equity					
Share capital	13				
Registered share capital		674,537	674,537	674,537	674,537
Issued and fully paid up		541,205	383,205	541,205	383,205
Premium on share capital	13	6,473,428	1,226,352	6,473,428	1,226,352
Translation adjustments for investments in foreign subsidiaries		21,529	496	-	-
Retained earnings					
Appropriated - legal reserve	14	32,774	5,720	32,774	5,720
Unappropriated		1,465,615	1,139,217	(77,963)	10,865
Total parent's shareholders' equity		8,534,551	2,754,990	6,969,444	1,626,142
Minority interests		225,510	140,044	-	-
Total shareholders' equity		8,760,061	2,895,034	6,969,444	1,626,142
Total liabilities and shareholders' equity		11,055,921	5,945,730	7,086,036	1,802,504

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Statements of Income (Unaudited)
For the three-month periods that ended on 31 March 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Service income		1,075,050	982,433	-	-
Sales		-	258	-	-
Total service income and sales		1,075,050	982,691	-	-
Cost of services		(734,390)	(679,108)	-	-
Cost of sales		-	(258)	-	-
Total cost of services and sales		(734,390)	(679,366)	-	-
Gross profit from services and sales		340,660	303,325	-	-
Service and administrative expenses		(296,023)	(88,878)	(27,291)	(34,448)
Management fee income	19	-	-	17,580	29,865
Interest income		3,309	92	4,700	2,697
Gains (losses) on exchange rates		(16,077)	33,814	(103,877)	18
Net gains on disposal and write off of property, plant, and equipment		766	255	766	455
Other income		70,121	44,859	3,244	3,075
Operating profit (loss)		102,756	293,467	(104,878)	1,662
Share of profit of investments in associates - equity		7,428	-	-	-
Profit (loss) before interest expenses and income taxes		110,184	293,467	(104,878)	1,662
Interest expenses	4	(30,789)	(44,773)	(1,861)	(2,311)
Profit (loss) before income taxes		79,395	248,694	(106,739)	(649)
Income taxes	15	34,492	(4,857)	31,882	-
Net profit (loss) for the period		113,887	243,837	(74,857)	(649)
Attributable to:					
Shareholders of the parent		113,173	239,916	(74,857)	(649)
Minority interest		714	3,921	-	-
		113,887	243,837	(74,857)	(649)
Earnings (loss) per share for profit attributable to the shareholders of the parent		Baht	Restated Baht	Baht	Restated Baht
Basic	16	0.21	0.63	(0.14)	(0.00)

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Statements of Income (Unaudited)
For the six-month periods that ended on 31 March 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Service income		2,172,956	1,938,115	-	-
Sales		-	964	-	-
Total service income and sales		2,172,956	1,939,079	-	-
Cost of services		(1,446,265)	(1,428,765)	-	-
Cost of sales		-	(932)	-	-
Total cost of services and sales		(1,446,265)	(1,429,697)	-	-
Gross profit from services and sales		726,691	509,382	-	-
Service and administrative expenses	20	(533,976)	(177,737)	(50,336)	(61,519)
Management fee income	19	-	-	35,160	59,907
Dividend income		-	-	-	30,331
Interest income		18,442	2,769	16,826	5,569
Gains (losses) on exchange rates		2,160	81,380	(111,203)	61
Net gains on disposal and write off of property, plant, and equipment		1,280	12,812	1,280	455
Gains on disposal of investments		-	2,729	-	8,026
Other income		71,551	54,216	6,561	6,890
Operating profit (loss)		286,148	485,551	(101,712)	49,720
Share of profit of investments in associates - equity	6	10,769	-	-	-
Profit (loss) before interest expenses and income taxes		296,917	485,551	(101,712)	49,720
Interest expenses	4	(68,726)	(94,412)	(3,859)	(5,212)
Profit (loss) before income taxes		228,191	391,139	(105,571)	44,508
Income taxes	15	126,987	(5,944)	43,797	-
Net profit (loss) for the period		355,178	385,195	(61,774)	44,508
Attributable to:					
Shareholders of the parent		353,452	382,715	(61,774)	44,508
Minority interest		1,726	2,480	-	-
		355,178	385,195	(61,774)	44,508
Earnings (loss) per share for profit attributable to the shareholders of the parent		Baht	Restated Baht	Baht	Restated Baht
Basic	16	0.67	1.00	(0.12)	0.12

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the six-month periods that ended on 31 March 2008 and 2007

	Consolidated 2008					Unit : Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Minority interests	Total
Beginning balance as at 1 October 2007	383,205	1,226,352	496	5,720	1,139,217	140,044	2,895,034
Issued share capital	158,000	5,247,076	-	-	-	172,568	5,577,644
Return of capital investment from a subsidiary	-	-	-	-	-	(90,547)	(90,547)
Net profit for the period	-	-	-	-	353,452	1,726	355,178
Legal reserve	-	-	-	27,054	(27,054)	-	-
Translation adjustment for investments in foreign subsidiaries	-	-	21,033	-	-	1,719	22,752
Ending balance as at 31 March 2008	541,205	6,473,428	21,529	32,774	1,465,615	225,510	8,760,061

	Company 2008					Unit : Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Minority interests	Total
Beginning balance as at 1 October 2007	383,205	1,226,352	496	5,720	1,139,217	-	2,754,990
Retrospective adjustments due to adoption of new accounting policy	-	-	(496)	-	(1,128,352)	-	(1,128,848)
Beginning balance after retrospective adjustment	383,205	1,226,352	-	5,720	10,865	-	1,626,142
Issued share capital	158,000	5,247,076	-	-	-	-	5,405,076
Net loss for the period	-	-	-	-	(61,774)	-	(61,774)
Legal reserve	-	-	-	27,054	(27,054)	-	-
Ending balance as at 31 March 2008	541,205	6,473,428	-	32,774	(77,963)	-	6,969,444

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the six-month periods that ended on 31 March 2008 and 2007

	Consolidated 2007 (Restated)					Unit : Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Minority interests	Total
Beginning balance as at 1 October 2006	383,205	1,226,352	(4,138)	5,720	598,135	176,094	2,385,368
Net profit for the period	-	-	-	-	382,715	2,480	385,195
Dividends paid by a subsidiary	-	-	-	-	-	(29,141)	(29,141)
Translation adjustment for investments in overseas subsidiaries	-	-	10,661	-	-	887	11,548
Ending balance as at 31 March 2007	383,205	1,226,352	6,523	5,720	980,850	150,320	2,752,970

	Company 2007 (Restated)					Unit : Baht' 000	
	Issued and paid-up share capital	Premium on share capital	Translation adjustments for investments in foreign subsidiaries	Legal reserve	Unappropriated retained earnings	Total	
Beginning balance as at 1 October 2006	383,205	1,226,352	(4,138)	5,720	598,135	2,209,274	
Retrospective adjustments due to adoption of new accounting policy	-	-	4,138	-	(623,192)	(619,054)	
Beginning balance after retrospective adjustment	383,205	1,226,352	-	5,720	(25,057)	1,590,220	
Net profit for the period	-	-	-	-	44,508	44,508	
Ending balance as at 31 March 2007	383,205	1,226,352	-	5,720	19,451	1,634,728	

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods that ended on 31 March 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Cash flows from operating activities					
Profit (loss) before income taxes		228,191	391,139	(105,571)	44,508
Adjustments for:					
Depreciation	7	265,842	250,221	10,431	11,280
Amortisation of intangible assets		3,602	3,795	3,467	3,730
Interest expenses		68,726	94,412	3,859	5,212
Net gains on disposal and write off of property, plant, and equipment		(1,280)	(12,812)	(1,280)	(455)
Gains on disposals of investments in subsidiaries		-	(2,729)	-	(8,026)
Realised (gains) losses on exchange rates		(25,179)	(2,466)	-	-
Unrealised (gains) losses on exchange rates		(25,463)	(138,402)	111,082	-
Reversal of bad and doubtful accounts receivable		-	3,357	-	(50)
Retirement benefit obligations		1,194	(2,917)	448	(2,762)
Dividends received from a subsidiary		-	-	-	(30,331)
Share of profit of investment in associates	6	(10,769)	-	-	-
Changes in operating assets and liabilities (excluding the effects of acquisition and disposal)					
- Trade accounts receivable - others		(3,957)	165,497	-	112
- Trade accounts receivable - related parties		237	15,360	33	185
- Amounts due from related parties		(1,712)	(642)	(12,364)	(36,074)
- Inventories		-	865	-	-
- Supplies and spare parts		(16,798)	2,016	-	-
- Other current assets		1,491	(56,213)	70,718	(5,141)
- Other non-current assets		41,870	10,744	-	21
- Trade accounts payable - others		(25,225)	(29,007)	-	-
- Trade accounts payable - related parties		(46,258)	(14,431)	2	(609)
- Other accounts payable		(11,783)	(12,608)	(6,754)	841
- Amounts due to related parties		(1,268)	(801)	358	-
- Accrued expenses		(53,590)	56,918	(40,609)	1,006
- Other current liabilities		(50,553)	19,871	161	4,637
Cash generated from operations		337,318	741,167	33,981	(11,916)
- Interest paid		(68,726)	(94,162)	(3,903)	(5,219)
- Income taxes paid		(32,947)	(19,509)	-	-
Net cash inflows (outflows) from operating activities		235,645	627,496	30,078	(17,135)

The notes on pages 10 to 29 are an integral part of these interim financial statements.

Mermaid Maritime Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods that ended on 31 March 2008 and 2007

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Cash flows from investing activities					
Receipt from short-term loans repaid by related parties		-	-	569,000	189,000
Short-term loans provided to related party		(30,792)	-	(982,422)	(202,000)
Proceeds from disposal of investments in subsidiaries		-	30,899	-	38,094
Payments for investments in subsidiaries	6	-	-	(1,676,131)	-
Payments for investments in associates	6	(373,134)	-	-	-
Proceeds from return of capital investment from a subsidiary being liquidated	6	-	-	94,005	-
Proceeds from disposals of property, plant, and equipment		13,650	253,864	13,650	3,816
Dividends received from subsidiaries		-	-	-	30,331
Purchases of property, plant and equipment		(1,534,798)	(433,188)	(376)	(1,295)
Purchases of intangible assets		(3)	(1,500)	(3)	(214)
Net cash inflows (outflows) from investing activities		(1,925,077)	(149,925)	(1,982,277)	57,732
Cash flows from financing activities					
Net payments from bank overdrafts		(20,274)	(18,134)	-	-
Proceeds from short-term loans from financial institutions	10	41,514	72,704	-	-
Repayments on short-term loans from financial institutions	10	(243,092)	(60,000)	-	(20,000)
Repayments on finance lease liabilities		(2,589)	(5,928)	(932)	(3,346)
Proceeds from long-term loans from financial institutions	11	-	115,340	-	-
Repayments on long-term loans from financial institutions	11	(198,717)	(91,858)	(12,400)	(12,400)
Dividends paid to minorities		-	(29,141)	-	-
Payments on capital investment to minorities		(90,547)	-	-	-
Proceeds from issuance of share capital	13	158,000	-	158,000	-
Proceeds from share premium	13	5,247,076	-	5,247,076	-
Proceeds from issuance of share capital received from minorities		172,568	-	-	-
Net cash inflows (outflows) from financing activities		5,063,939	(17,017)	5,391,744	(35,746)
Net increase (decrease) in cash and cash equivalents		3,374,507	460,554	3,439,545	4,851
Cash and cash equivalents at beginning of period		511,700	185,314	21,139	15,148
Effects of exchange rate changes		(89,867)	-	(94,925)	-
Cash and cash equivalents at the end of period		3,796,340	645,868	3,365,759	19,999
Non-cash transactions					

During the six-month periods that ended on 31 March 2008 and 2007, the following significant non-cash transactions occurred:

Unpaid liabilities under finance lease agreements for purchase of fixed assets	10,933	10,942	3,852	5,622
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The notes on pages 10 to 29 are an integral part of these interim financial statements.

1 General information

Mermaid Maritime Public Company Limited (the “Company”) is a public limited company that is incorporated in Thailand. The address of its registered office is as follows:

26/49 Orakarn Building, 9th floor
Soi Chidlom, Ploenchit Road
Kwaeng Lumpinee, Khet Pathumwan
Bangkok 10330

The Company and its subsidiaries (the “Group”) provide a wide range of services to the offshore oil & gas industries and merchant shipping lines. The scope of services comprises sub-sea engineering and inspection by divers and remotely operated vehicle (“ROV”) systems, non-destructive testing, and ownership and operation of a fleet of offshore service vessels and tender drilling rigs.

As at 31 March 2008, the Group employed 313 persons (30 September 2007 : 288 persons).

The Company is a subsidiary of Thoresen Thai Agencies Public Company Limited, which is incorporated in Thailand.

These consolidated and Company interim financial statements have been approved for issue by the Board of Directors on 14 May 2008.

3 Accounting policies

Basis of preparation of interim consolidated and company financial statements

These interim consolidated and Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders’ equity, and cash flows) are prepared in the full format. The notes to the financial statements are prepared in condensed format according to Thai Accounting Standard 41, “Interim Financial Reporting”.

The preparation of the interim financial statements in conformity with Thai generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the interim financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The interim consolidated and Company financial statements have been prepared under the historical cost convention.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2007 except for the accounting policy for investments as described in Note 3.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

These interim financial statements should be read in conjunction with the 2007 annual financial statements.

2 Accounting policies (Cont'd)

Significant accounting policies

New accounting policies applied during the six-month period are set out below:

Investments in associates

An investment in an associate is an investment in a company in which the Group exercises significant influence but not control. The equity method of accounting for associated enterprises is adopted in the consolidated financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective date on which the enterprise became an associate and up to the effective date of disposal.

Goodwill arising on the acquisition of associates is included in the carrying amount of the associate and is treated in accordance with the Group's accounting policy for goodwill. The share of associated retained earnings and reserves is generally determined from the associate's latest annual financial statements or interim financial statements when appropriate. Dividends received from associates are deducted from the carrying value of the investment. Where the Group's share of losses of an associate exceeds the carrying amount of the associate, the associate is carried at zero value. Additional losses are only recognised to the extent that the Group has incurred obligations or made payments on behalf of the associates.

A list of the Group's principal associates is set out in Note 6. The effects acquisitions and disposals of associates are shown in Note 6.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill is allocated to forecast future cash-generating units and is no longer amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

3 Changes/ adoption of new accounting policies

Change in accounting policy

(1) TAS 44: Consolidated and separate financial statements

The notification of Federation of Accounting Professions dated 2 May 2007 relating to the amendment of TAS 44 "Consolidated and separate financial statements" requires a change from the equity method to the cost method for investments in subsidiaries presented in the Company's separate financial statements. Under the cost method, income from investments will be recorded when dividends are declared. This change has an impact to the Company's separate financial statements and does not have any impact on the consolidated financial statements. The Company has complied with this change beginning on 1 October 2007.

3 Changes/ adoption of new accounting policies (Cont'd)

Adoption of new accounting standards

The Group has adopted the following accounting standards for the first time in the financial statements for the year that ended on 30 September 2007.

- (2.1) IAS 12 : Income taxes
- (2.2) IAS 16 : Property, plant and equipment
- (2.3) IAS 19 : Employee benefits
- (2.4) Revenue - recognition of mobilisation fees

For comparative purposes, these standards have been applied retrospectively to the financial statements for the period that ended on 31 March 2007.

The effects of changes in accounting policies and the adoption of new accounting standards are as follows:

Ref.	Company		
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2007 Baht'000
Balance sheets			
Decrease in investments in subsidiaries	(1)	(1,565,107)	(1,128,848)
Increase (decrease) in translation adjustments for investments in foreign subsidiaries	(1)	(21,033)	(496)
Decrease in property, plant and equipment	(2.2)	-	-
Decrease in retirement benefit obligations	(2.3)	-	-
Decrease in beginning balance of retained earnings as at 1 October 2006	(1)	-	(623,192)
Decrease in beginning balance of retained earnings as at 1 October 2007	(1)	(1,128,352)	-
Decrease in ending balance of retained earnings	(1), (2.2) (2.3)	(415,225)	(505,160)
			(336,541)
Statements of income			
Decrease in share of profit of investments in subsidiaries	(1)	(415,225)	(536,803)
Increase dividend income	(1)	-	30,331
Increase in gain on disposal of investments	(1)	-	1,312
Increase in service and administrative expenses	(2.2), (2.3)	-	-
		(415,225)	(505,160)
			(336,541)
Decrease in earnings per share (Baht)		(0.79)	(1.32)
			(0.88)

3 Changes/ adoption of new accounting policies (Cont'd)

		Consolidated
		31 March
		2007
	Ref.	Baht'000
Balance sheets		
Increase in other current assets	(2.4)	7,352
Decrease in property, plant and equipment	(2.2)	(40,241)
Increase in deferred tax assets	(2.1)	12,750
Increase in other current liabilities	(2.4)	30,797
Decrease in retirement benefit obligations	(2.3)	(2,917)
Decrease in ending balance of retained earnings	(2.1), (2.2), (2.3), (2.4)	(48,019)
Statements of income for the six-month period that ended on 31 March 2007		
Decrease in service income	(2.4)	(30,797)
Increase in cost of services	(2.2), (2.4)	(31,793)
Decrease in service and administrative expenses	(2.2), (2.3)	1,821
Decrease in income taxes	(2.1)	12,750
		<u>(48,019)</u>
Decrease in earnings per share (Baht)		(0.13)

Early adoption of new accounting standards

During the first quarter of 2008, the Group's management chose to adopt earlier than required TAS 43 (as amended in 2007) "Business Combination" and TAS 51 (as amended in 2007) "Intangible Assets". Under the standards, the indefinite life intangible asset will not be amortised and instead, is subject to impairment in value, if there is any indication. If the carrying value of the intangible asset is less than its recoverable amount, an impairment loss will be charged to the statement of income.

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4 Business segment information

The segment results for the periods that ended on 31 March 2008 are as follows:

	Consolidated				Unit : Baht'000
	For the three-month period that ended on 31 March 2008				
	Turn-key diving, ROV and NDT services to offshore industries	Drilling Services	Training Services	Unallocated	Group
Total service income	847,750	222,331	5,093	-	1,075,174
Inter-segment service income	-	-	(124)	-	(124)
Service income	847,750	222,331	4,969	-	1,075,050
Operating profit (loss)	180,503	30,743	630	(109,120)	102,756
Interest expenses					(30,789)
Income taxes					34,492
Share of profit from associates					7,428
(Profit) attributable to minorities					(714)
Net profit for the period					113,173
Property, plant, equipment and intangible assets	2,639,369	2,411,985	10,120	215,536	5,277,010
Total assets					11,055,921

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4 Business segment information (Cont'd)

	Consolidated (Restated)					Unit : Baht'000
	For the three-month period that ended on 31 March 2007					
	Turn-key diving, ROV and NDT services to offshore industries	Drilling Services	Ownership and operation of multi- purpose offshore service vessels	Training Services	Ship chandlery	Unallocated Group
Total service income	555,597	423,665	-	3,547	-	982,809
Inter-segment service income	-	-	-	(376)	-	(376)
Service income	555,597	423,665	-	3,171	-	982,433
Total sales	-	-	-	-	258	258
Inter-segment sales	-	-	-	-	-	-
Total sales	-	-	-	-	258	258
Total service income and sales	555,597	423,665	-	3,171	258	982,691
Operating profit (loss)	75,314	200,833	(9,621)	(169)	190	293,467
Interest expenses					26,920	(44,773)
Income taxes						(4,857)
(Profit) attributable to minorities						(3,921)
Net profit for the period						239,916
Property, plant, equipment and intangible assets	1,960,140	1,787,714	67	9,913	-	253,969
4,011,803						
Total assets						5,717,584

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4 Business segment information

The segment results for the periods that ended on 31 March 2008 are as follows:

	Consolidated				Unit : Baht'000
	For the six -month period that ended on 31 March 2008				
	Turn-key diving, ROV and NDT services to offshore industries	Drilling Services	Ownership and operation of multi- purpose offshore service vessels	Training Services	Group
Total service income	1,735,914	424,990	-	12,176	2,173,080
Inter-segment service income	-	-	-	(124)	(124)
Service income	1,735,914	424,990	-	12,052	2,172,956
Operating profit (loss)	420,046	(27,403)	2,026	685	286,148
Interest expenses					(68,726)
Income taxes					126,987
Share of profit from associates					10,769
(Profit) attributable to minorities					(1,726)
Net profit for the period					353,452
Property, plant, equipment and intangible assets	2,639,369	2,411,985	-	10,120	5,277,010
Total assets					11,055,921

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4 Business segment information (Cont'd)

	Consolidated (Restated)						Unit : Baht'000
	For the six-month period that ended on 31 March 2007						
	Turn-key diving, ROV and NDT services to offshore industries	Drilling Services	Ownership and operation of multi- purpose offshore service vessels	Training Services	Ship chandlery	Unallocated	Group
Total service income	1,237,171	686,792	8,651	8,839	8	-	1,941,461
Inter-segment service income	-	(2,844)	-	(502)	-	-	(3,346)
Service income	1,237,171	683,948	8,651	8,337	8	-	1,938,115
Total sales	-	-	-	-	964	-	964
Inter-segment sales	-	-	-	-	-	-	-
Total sales	-	-	-	-	964	-	964
Total service income and sales	1,237,171	683,948	8,651	8,337	972	-	1,939,079
Operating profit (loss)	253,148	245,584	(13,802)	566	(3,908)	3,963	485,551
Interest expenses							(94,412)
Income taxes							(5,944)
(Profit) attributable to minorities							(2,480)
Net profit for the period							382,715
Property, plant, equipment and intangible assets	1,960,140	1,787,714	67	9,913	-	253,969	4,011,803
Total assets							5,717,584

5 Trade accounts receivable - others, net

Trade accounts receivable - others, comprise:

	Consolidated		Company	
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2008 Baht'000	30 September 2007 Baht'000
Trade accounts receivable - others	948,692	921,178	-	-
Accrued income	35,052	58,609	-	-
	983,744	979,787	-	-
<u>Less</u> Allowance for doubtful accounts	(13,647)	(13,647)	-	-
Trade accounts receivable - others, net	<u>970,097</u>	<u>966,140</u>	<u>-</u>	<u>-</u>

6 Investments in subsidiaries and associates

The movement of investments in subsidiaries and associates during the six-month period that ended on 31 March 2008 is as follows:

	Subsidiaries 31 March 2008 Baht'000
Opening balance	2,357,672
Adjustment (Note 3)	(1,128,848)
Opening balance after retrospective adjustments	1,228,824
Additional investments in subsidiaries	1,676,131
Return of capital investment from a subsidiary being liquidated	(94,005)
Ending balance	<u>2,810,950</u>
	Associates 31 March 2008 Baht'000
Investments in associates	373,134
Share of profit of investments in associates	10,769
Ending balance	<u>383,903</u>

6 Investments in subsidiaries and associates (Cont'd)

As at 31 March 2008, investments in subsidiaries and associates comprise investments in the following companies:

Name of subsidiaries	Country of incorporation	Percentage of holding	
		As at 31 March 2008	As at 30 September 2007
Darium Thai Offshore Ltd.	Thailand	51.0	51.0
Mermaid Offshore Services Ltd. which has one associate and two subsidiaries as follows:	Thailand	100.0	100.0
Worldclass Inspiration Sdn. Bhd.	Malaysia	25.0	-
Seascope Surveys Pte. Ltd.	Singapore	80.0	-
Seascope Surveys (Thailand)	Thailand	80.0	-
Mermaid Drilling Ltd. which has three subsidiaries as follows:	Thailand	95.0	95.0
MTR-1 Ltd.	Thailand	100.0	100.0
MTR-2 Ltd.	Thailand	100.0	100.0
Mermaid Drilling (Malaysia) Sdn. Bhd.	Malaysia	100.0	100.0
Mermaid Training and Technical Services Ltd.	Thailand	100.0	100.0
Mermaid Drilling (Singapore) Pte. Ltd. which has three subsidiaries and one associate as follows:	Singapore	100.0	100.0
MTR-1 (Singapore) Ltd.	Singapore	100.0	100.0
MTR-2 (Singapore) Ltd.	Singapore	100.0	100.0
Mermaid Kencana Rig 1 Pte. Ltd.	Singapore	75.0	-
Kencana Mermaid Drilling Sdn. Bhd.	Malaysia	40.0	-

Additional investments in subsidiaries

On 22 October 2007, Mermaid Drilling (Singapore) Pte. Ltd., a subsidiary, entered into a contract with Kencana Petroleum Ventures Sdn. Bhd., incorporated in Malaysia, to establish a new company named Mermaid Kencana Rig 1 Pte. Ltd. in Singapore with share capital of USD 100, with 25% held by Kencana Petroleum Ventures Sdn. Bhd. and 75% held by Mermaid Drilling (Singapore) Pte. Ltd. The company was incorporated in Singapore on 19 October 2007.

On 6 December 2007, the Company subscribed for shares of Mermaid Drilling (Singapore) Pte. Ltd., totalling Baht 513.7 million (or USD 15.3 million) for Mermaid Drilling (Singapore) Pte. Ltd., to invest further in Mermaid Kencana Rig 1 Pte. Ltd. as mentioned above. On the same date, Mermaid Kencana Rig 1 Pte. Ltd., increased its paid-up capital by USD 20.4 million. USD 15.3 million and USD 5.1 million were received from Mermaid Drilling (Singapore) Pte. Ltd. and Kencana Petroleum Ventures Sdn. Bhd., respectively, reflecting their proportion of shareholding.

On 1 December 2007, Mermaid Offshore Services Ltd., a subsidiary, increased its share capital from Baht 550 million to Baht 2,003 million by issuing 145.3 million new ordinary shares at par value of Baht 10 per share. The Company invested Baht 653.9 million to subscribe for the issued shares, which is equivalent to Baht 4.50 per share. The remaining Baht 5.50 per share will be paid, pending regulatory approval. As at 31 March 2008, the subsidiary received share subscription, which is a part of the share capital increase as mentioned above, totalling Baht 508.5 million.

On 4 March 2008, Mermaid Offshore Services Ltd., acquired 80 ordinary shares in Seascope Surveys Pte. Ltd., with par value of SGD 1.00 per share, at a subscription price of SGD 124,928 per share, totalling SGD 9.99 million, or equivalent to Baht 224.1 million. The total subscribed shares represent 80% of the total share capital of Seascope Surveys Pte. Ltd. The value of intangible assets relevant to such investment is being determined by the Group's management.

On 26 March 2008, Mermaid Offshore Services Ltd., beneficially subscribed to 2,119,995 ordinary shares in Seascope Surveys (Thailand) Ltd. with a par value of Baht 10 per share, at a subscription price of Baht 10 per share. The total subscribed shares represent 80% of the total share capital of Seascope Surveys (Thailand) Ltd.

6 Investments in subsidiaries and associates (Cont'd)

Additional investments in associates

On 26 September 2007, Mermaid Drilling (Singapore) Pte. Ltd., a subsidiary, beneficially subscribed to 1 ordinary share in Kencana Mermaid Drilling Sdn. Bhd. with a par value of RM 1.00 per share, at a subscription price of RM 1.00 per share. On 24 October 2007, Mermaid Drilling (Singapore) Pte. Ltd. acquired another 39,999 ordinary shares in Kencana Mermaid Drilling Sdn. Bhd. with a par value of RM 1.00 per share, at a subscription price of RM 1.00 per share, totalling RM 39,999 equivalent to Baht 377,906. The total subscribed shares represent 40% of the total share capital of Kencana Mermaid Drilling Sdn. Bhd.

On 6 December 2007, Mermaid Offshore Services Ltd., a subsidiary, acquired 8,162,963 ordinary shares in Worldclass Inspiration Sdn. Bhd. with a par value of RM 1 per share, at a subscription price of RM 4.1 per share, totalling RM 33.5 million, or equivalent to Baht 337.4 million. The subscribed shares represent 25% of the total paid-up share capital of Worldclass Inspiration Sdn. Bhd. On 11 February 2008, Mermaid Offshore Services Ltd. acquired another 884,444 new ordinary shares with a par value of RM 1.00 per share, at the subscription price of RM 4.105 per share, totalling RM 3.5 million equivalent to Baht 35.4 million.

Return of capital investment from a subsidiary

Darium Thai Offshore Ltd., a subsidiary, registered its dissolution with the Ministry of Commerce on 24 August 2007. In October 2007, the Company partially received a return of its capital investment from this subsidiary amounting to Baht 94 million. As at 31 March 2008, the subsidiary is in the process of liquidation.

7 Property, plant, and equipment, net

7.1) Property, plant, and equipment, net, comprise:

	Consolidated Baht'000	Company Baht'000
For the six-month period that ended on 31 March 2008		
Opening net book amount	4,011,342	237,363
Additions	1,537,162	376
Disposals	(12,370)	(12,370)
Depreciation charge	(265,842)	(10,431)
Closing net book amount	<u>5,270,292</u>	<u>214,938</u>

Consolidated

The major additions during the six-month period were a) a 15% installment payment under a tender rig construction contract totalling Baht 685 million, b) an installment payment under a ROV support vessel building contract totalling Baht 176.5 million, c) an installment payment under a saturation diving system contract totalling Baht 83.5 million, and d) dry-docking of rig and vessels totalling Baht 341 million.

The significant disposals during the six-month period comprised disposals of land and five buildings at net book value of Baht 12 million.

7 Property, plant, and equipment, net (Cont'd)

7.2) The depreciation charges during the three-month and six-month periods that ended on 31 March are as follows:

	For the three-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
	Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Depreciation charged to				
- Cost of service	78,317	116,684	-	-
- Service and administrative expenses	58,397	6,612	5,128	5,544
	136,714	123,296	5,128	5,544
	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
	Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Depreciation charged to				
- Cost of service	158,461	236,764	-	-
- Service and administrative expenses	107,381	13,457	10,431	11,280
	265,842	250,221	10,431	11,280

7.3) Property, plant and equipment as at 31 March 2008 used as collateral for loan facilities can be summarised as follows:

The Group owns land, three buildings, four support vessels, two motor launches, six remotely operated vehicles, one saturation diving system, and two tender rigs (30 September 2007 : Land, eight buildings, four support vessels, two motor launches, six remotely operated vehicles, one saturation diving system, and two tender rigs). All the above assets, except four remotely operated vehicles, have been mortgaged with various banks as collateral for the loan facilities as described in Notes 9 and 11. These assets are mortgaged at a total value of Baht 2,804.8 million and USD 15 million (30 September 2007 : Baht 2,849.8 million and USD 15 million).

8 Deferred tax assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. Deferred tax assets are as follows:

	Consolidated		Company	
	31 March	30 September	31 March	30 September
	2008	2007	2008	2007
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets:				
Deferred tax assets to be recovered after 12 months	213,491	59,062	43,797	-
Deferred tax assets to be recovered within 12 months	-	544	-	-
Total	213,491	59,606	43,797	-

8 Deferred tax assets (Cont'd)

The gross movement on the deferred tax account is as follows:

	Consolidated		Company	
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2008 Baht'000	30 September 2007 Baht'000
Opening net book amount	59,606	31,241	-	-
Statements of income charged	153,885	28,365	43,797	-
Closing net book amount	213,491	59,606	43,797	-

The movement in deferred tax assets during the period is as follows:

	Retirement benefit obligations Baht	Decelerated tax depreciation Baht	Losses carried forwards Baht	Total Baht
Deferred tax assets				
At 30 September 2007	544	59,062	-	59,606
Charged/(credited) to the consolidated statement of income	822	14,393	138,670	153,885
At 31 March 2008	1,366	73,455	138,670	213,491

Where appropriate, deferred tax assets relating to losses carried forward have been recognised as the Company believes that there will be future taxable profits after the expiration of Board of Investment privileges. Future taxable profits can be offset with these tax losses carried forwards.

The Group has unused tax losses amounting to Baht 60.7 million, for which no deferred tax asset is recognised as at 31 March 2008. Tax losses amounting to Baht 2.4 million, 3.0 million, and 5.1 million will expire in 2011, 2012, and 2013, respectively. The remaining unused tax loss amounting to Baht 50.2 million belongs to a subsidiary, which is in the process of liquidation.

9 Bank overdrafts

The Group has bank overdraft facilities of Baht 75 million (30 September 2007 : Baht 75 million) which are guaranteed by the Company and a mortgage of the Company's land and buildings as mentioned in Note 7.3.

As at 31 March 2008, the Group has unused bank overdraft facilities of Baht 75 million (30 September 2007 : Baht 54.7 million).

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10 Short-term loans from financial institutions

As at 31 March 2008, there is no short-term loan from financial institutions (30 September 2007 : Baht 201.6 million and bearing interest at MLR minus a certain margin).

The movement of short-term loans from financial institutions for the six-month periods that ended on 31 March 2008 and 2007 is as follows:

	Consolidated		Company	
	31 March 2008 Baht'000	31 March 2007 Baht'000	31 March 2008 Baht'000	31 March 2007 Baht'000
Beginning balance	201,578	160,000	-	20,000
Addition during period	41,514	72,704	-	-
Repayment during period	(243,092)	(60,000)	-	(20,000)
Unrealised loss on exchange rate	-	(656)	-	-
Ending Balance	-	172,048	-	-

11 Long-term loans from financial institutions

Long-term loans from financial institutions comprise:

	Consolidated		Company	
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2008 Baht'000	30 September 2007 Baht'000
Current portion of long-term loans	380,214	406,245	24,800	24,800
Long-term portion of loans	1,460,215	1,773,410	73,200	85,600
Long-term loans from financial Institutions	1,840,429	2,179,655	98,000	110,400

The movement of long-term loans from financial institutions for the six-month periods that ended on 31 March 2008 and 2007 is as follows:

	Consolidated		Company	
	31 March 2008 Baht'000	31 March 2007 Baht'000	31 March 2008 Baht'000	31 March 2007 Baht'000
Beginning balance	2,179,655	2,480,314	110,400	135,200
Addition during period	-	115,340	-	-
Repayment during period	(198,717)	(91,858)	(12,400)	(12,400)
Realised gains on exchange rates	(19,953)	(2,466)	-	-
Unrealised gains on exchange rates	(120,556)	(137,746)	-	-
Ending balance	1,840,429	2,363,584	98,000	122,800

As at 31 March 2008, the total outstanding amounts of long-term loans granted by local commercial banks are Baht 282.3 million and USD 49.3 million (30 September 2007 : Baht 323.4 million and USD 53.9 million). During the six-month period that ended on 31 March 2008, there has been no significant change to the loans' conditions. These loans are secured by mortgages on the Group's assets as mentioned in Note 7.3 and are guaranteed by the Company and some subsidiaries.

12 Finance lease liabilities

Finance lease liabilities comprise:

	Consolidated		Company	
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2008 Baht'000	30 September 2007 Baht'000
Finance lease liabilities	11,881	12,160	4,104	5,215
<u>Less</u> Deferred interest expense	(948)	(1,001)	(252)	(431)
Total finance lease liabilities	10,933	11,159	3,852	4,784
Current portion of finance lease liabilities	(5,946)	(6,010)	(2,501)	(2,584)
Long-term portion of finance lease liabilities	4,987	5,149	1,351	2,200

As at 31 March 2008, finance lease liabilities to purchase motor vehicles carry fixed interest rates (30 September 2007 : fixed interest rates). The leases have repayment terms within 3 to 5 years without guarantee (30 September 2007 : without guarantee).

13 Share capital and premium on share capital

For the six-month period that ended on 31 March 2008:

	Number of registered shares Shares'000	Issued and paid-up shares Shares'000	Ordinary shares Baht'000	Premium on share capital Baht'000	Total Baht'000
Opening balance	674,537	383,205	383,205	1,226,352	1,609,557
Issue of shares	-	158,000	158,000	5,247,076	5,405,076
Closing balance	674,537	541,205	541,205	6,473,428	7,014,633

On 11 October 2007, the Company successfully placed and priced its Initial Public Offering ("IPO") amounting to 158 million new ordinary shares with an offering price of SGD 1.56 per share totalling SGD 246.5 million, on the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 16 October 2007, the new ordinary shares of the Company were traded on the main board of the SGX-ST.

The Company registered the increased paid-up share capital with the Ministry of Commerce on 15 October 2007 for 140 million shares and on 26 October 2007 for 18 million shares at the par value of Baht 1 each.

14 Legal reserve

The Company registered as a public limited company on 15 January 2007. Under the Public Limited Company Act B.E. 2535, the Company is required to set aside legal reserves of at least 5% of its net profit after accumulated deficits brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

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15 Income taxes

Income taxes as shown in the consolidated and Company statement of income are calculated based on net income from non-BOI activities using a principal tax rate of 30% and tax charges from overseas operations.

The reconciliation of income taxes is provided as follows:

	For the three-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
	Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Current taxes	14,825	11,697	-	-
Deferred taxes	(49,317)	(6,840)	(31,882)	-
	(34,492)	4,857	(31,882)	-

	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
	Baht'000	Restated Baht'000	Baht'000	Restated Baht'000
Current taxes	26,898	18,694	-	-
Deferred taxes (Note 8)	(153,885)	(12,750)	(43,797)	-
	(126,987)	5,944	(43,797)	-

16 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to the ordinary shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the period.

	For the three-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
		Restated		Restated
Net profit (loss) for the period attributable to ordinary shareholders (Baht'000)	113,173	239,916	(74,857)	(649)
Weighted average number of ordinary shares (Shares'000)	541,205	383,205	541,205	383,205
Basic earnings (loss) per share (Baht)	0.21	0.63	(0.14)	(0.00)

	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
		Restated		Restated
Net profit (loss) for the period attributable to ordinary shareholders (Baht'000)	353,452	382,715	(61,774)	44,508
Weighted average number of ordinary shares (Shares'000)	526,927	383,205	526,927	383,205
Basic earnings (loss) per share (Baht)	0.67	1.00	(0.12)	0.12

There are no potential dilutive ordinary shares in issue during the periods that ended on 31 March 2008 and 2007.

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17 Guarantees

As at 31 March 2008 and 30 September 2007, the Group and the Company have outstanding guarantees as follows:

	Consolidated/Company			
	31 March 2008		30 September 2007	
	Baht'000	USD'000	Baht'000	USD'000
Letters of guarantee issued by banks in the normal course of business	21,331	990	71,264	990
A guarantee for short-term loans of subsidiaries to a financial institution	305,000	2,000	321,320	2,000
A guarantee for long-term loans of subsidiaries to a financial institution	184,250	49,274	212,950	53,986
A guarantee for forward contract facility of a subsidiary to a financial institution	55,000	-	55,000	-

18 Commitments

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	31 March 2008 Baht'000
Vessel and rig building contracts	
THB	45,320
USD	4,322,930
Vessel equipment contracts	
USD	293,816
SGD	31,557
GBP	33,727

(b) Operating lease commitments - group company as lessee

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases of vessels are as follows:

	Consolidated		Company	
	31 March 2008	30 September 2007	31 March 2008	30 September 2007
	Baht'000	Baht'000	Baht'000	Baht'000
No later than 1 year	351,500	443,842	-	-
Later than 1 year but not later than 5 years	231,771	432,069	-	-

Vessel Charter Contract

In May 2007, a subsidiary entered into a long-term charter agreement for a dynamically positioned (Class 2) supply vessel for a period of ten years with an option to purchase the vessel commencing from the third to the tenth years after the vessel is delivered. The expected date of delivery is approximately 15 June 2009.

18 Commitments (Cont'd)

(c) Service Agreements

As at 31 March 2008, the Group has two outstanding drilling service agreements. The remaining agreement periods are between fifteen months and twenty four months.

19 Related party transactions

Significant related party transactions are as follows:

19.1 Accounts receivable and payable - related parties

	Consolidated		Company	
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2008 Baht'000	30 September 2007 Baht'000
<u>Accounts receivable - trade</u>				
Other related parties	23	260	23	56
	<u>23</u>	<u>260</u>	<u>23</u>	<u>56</u>
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	119,834	107,415
Other related parties	1,801	89	-	55
	<u>1,801</u>	<u>89</u>	<u>119,834</u>	<u>107,470</u>
<u>Accounts payable - trade</u>				
Other related parties	520	46,778	18	16
	<u>520</u>	<u>46,778</u>	<u>18</u>	<u>16</u>
<u>Amounts due to related parties</u>				
Subsidiary	-	-	358	-
Other related parties	1	1,269	-	-
	<u>1</u>	<u>1,269</u>	<u>358</u>	<u>-</u>

19 Related party transactions (Cont'd)

19.2 Short-term loans to related parties

	Consolidated		Company	
	31 March 2008 Baht'000	30 September 2007 Baht'000	31 March 2008 Baht'000	30 September 2007 Baht'000
Subsidiaries	-	-	505,265	108,000
Other related party	30,792	-	-	-
	<u>30,792</u>	<u>-</u>	<u>505,265</u>	<u>108,000</u>

As at 31 March 2008, short-term loans totalling Baht 505.3 million are provided to Mermaid Offshore Services Ltd. of Baht 80 million and MTR-2 Ltd. of Baht 425.3 million (30 September 2007 : loans to Mermaid Offshore Services Ltd. of Baht 108 million). The loans bear interest at 2.75% per annum (30 September 2007 : MLR plus 1% per annum). The short-term loan to other related party of Baht 30.8 million is from Mermaid Offshore Services Ltd. to Worldclass Inspiration Sdn. Bhd., an associate, bearing an interest at LIBOR plus 3.5% per annum (30 September 2007 : nil). Loans are unsecured and repayable at call.

19.3 Transactions with related parties

Significant related party transactions between the Company and its subsidiaries, associates, and companies under Thoresen Thai Agencies Public Company Limited, the parent company, and other related parties are as follows:

	For the three-month periods that ended on 31 March			
	Consolidated		Company	
	2008 Baht'000	2007 Baht'000	2008 Baht'000	2007 Baht'000
Revenues				
Service income	(9)	75	-	-
Interest income	338	-	2,120	2,697
Management fee	-	-	17,580	29,865
Rental income	418	-	2,542	2,065
Others	-	78	-	101
Expenses				
Crew expenses	-	718	-	-
Vessel expenses and repair and maintenance expenses	-	731	-	-
Vessel and equipment rental	-	36,347	-	-

19 Related party transactions (Cont'd)

19.3 Transactions with related parties (Cont'd)

There has been no significant change to the Group's policies in respect of related party transactions during the six-month period that ended on 31 March 2008.

	For the six-month periods that ended on 31 March			
	Consolidated		Company	
	2008	2007	2008	2007
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Service income	190	1,274	-	-
Interest income	338	-	3,237	5,489
Management fee	-	-	35,160	59,907
Rental income	850	-	5,107	4,641
Dividend income	-	-	-	30,331
Others	-	130	-	101
Expenses				
Crew expenses	-	4,359	-	-
Vessel expenses and repair and maintenance expenses	-	3,859	-	-
Vessel and equipment rental	-	97,698	-	-
Management fee	-	171	-	-

20 Service and administrative expenses

Service and administrative expenses of Baht 534 million for the six-month period that ended on 31 March 2008 included operating expenses comprising of crew expenses, overhead, and depreciation totalling Baht 356.4 million which relate to assets that were off-hire. One rig, MTR-2, and two vessels, Mermaid Commander and Mermaid Performer, went off-hire for their dry dockings or planned upgrades. MTR-2 incurred operating expenses during its off-hire period of Baht 263.7 million, while the vessels incurred operating expenses of Baht 92.7 million. These operating expenses are normally included in cost of services but are reclassified to service and administration expenses during off-hire periods. Once the assets are operational again, these expenses will be reflected in cost of services.