



MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)
(Company Registration No. 0107550000017)

Financial Statements and Dividend Announcement for the Year Ended 30 September 2008

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated		
	2008	2007	Changes
	Baht'000	Baht'000	%
Service income	5,285,443	4,130,309	28.0%
Sales	-	964	-100.0%
Total service income and sales	5,285,443	4,131,273	27.9%
Cost of services	(3,686,546)	(2,813,739)	31.0%
Cost of sales	-	(931)	-100.0%
Total cost of services and sales	(3,686,546)	(2,814,670)	31.0%
Gross profit from services and sales	1,598,897	1,316,603	21.4%
Service and administrative expenses	(731,561)	(729,968)	0.2%
Interest income	37,975	11,053	243.6%
Gains on exchange rates	159,750	114,493	39.5%
Net gains (losses) on disposal and write off of property, plant and equipment	(5,855)	(10,198)	-42.6%
Gains on disposal of investments	-	2,995	-100.0%
Other income	102,751	22,389	358.9%
Operating profit	1,161,957	727,367	59.7%
Profit share of investments in associates - equity method	32,132	-	100.0%
Profit before interest expenses and income taxes	1,194,089	727,367	64.2%
Interest expenses	(123,994)	(175,263)	-29.3%
Profit before income taxes	1,070,095	552,104	93.8%
Income taxes	91,962	(18,817)	-588.7%
Net profit for the year	1,162,057	533,287	117.9%
Attributable to:			
Shareholders of the parent	1,162,057	533,287	
Minority interests	(5,766)	7,795	
	1,156,291	541,082	
Notes to the income statements			
Depreciation and amortisation	569,835	507,461	



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1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Consolidated		Company	
	2008	2007	2008	2007
	Baht'000	Baht'000	Baht'000	Restated (*) Baht'000
Assets				
Current assets				
Cash and cash equivalents	1,726,430	511,700	1,141,842	21,139
Trade accounts receivable - others, net	1,461,783	966,140	-	-
- related parties	152	260	-	56
Amounts due from related parties	14,252	89	275,692	107,470
Short-term loans to related parties	1,147,989	-	2,080,811	108,000
Supplies and spare parts	147,515	113,581	-	-
Other current assets	358,112	226,892	16,955	89,952
Total current assets	4,856,233	1,818,662	3,515,300	326,617
Non-current assets				
Investments in subsidiaries - cost method	-	-	3,543,392	1,228,824
Investments in associates - equity method	405,296	-	-	-
Property, plant and equipment, net	7,492,276	4,011,342	208,054	237,363
Goodwill	180,898	-	-	-
Intangible assets, net	16,942	10,317	4,097	9,131
Deferred tax assets	213,605	59,606	-	-
Other non-current assets	14,352	45,803	569	569
Total non-current assets	8,323,369	4,127,068	3,756,112	1,475,887
Total assets	13,179,602	5,945,730	7,271,412	1,802,504
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts	-	20,274	-	-
Short-term loans from financial institutions	-	201,578	-	-
Trade accounts payable - others	327,150	353,796	-	-
- related parties	-	46,778	-	16
Other accounts payable	952,140	20,898	2,312	8,682
Amounts due to related parties	51	1,269	17	-
Current portion of long-term loans from financial institutions	416,570	406,245	24,800	24,800
Current portion of finance lease liabilities	4,587	6,010	1,845	2,584
Income taxes payable	20,210	14,154	-	-
Accrued expenses	74,813	104,446	606	41,826
Other current liabilities	176,926	93,330	10,865	9,109
Total current liabilities	1,972,447	1,268,778	40,445	87,017
Non-current liabilities				
Long-term loans from financial institutions	1,521,857	1,773,410	60,800	85,600
Finance lease liabilities	5,983	5,149	659	2,200
Retirement benefit obligations	5,373	3,359	2,065	1,545
Total non-current liabilities	1,533,213	1,781,918	63,524	89,345
Total liabilities	3,505,660	3,050,696	103,969	176,362
Shareholders' equity				
Share capital				
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	6,470,791	1,226,352	6,470,791	1,226,352
Translation adjustments for investments in foreign subsidiaries	(24,536)	496	-	-
Retained earnings				
Appropriated - legal reserves	39,717	5,720	39,717	5,720
Unappropriated	2,261,511	1,139,217	115,730	10,865
Total parent's shareholders' equity	9,288,688	2,754,990	7,167,443	1,626,142
Minority interests	385,254	140,044	-	-
Total shareholders' equity	9,673,942	2,895,034	7,167,443	1,626,142
Total liabilities and shareholders' equity	13,179,602	5,945,730	7,271,412	1,802,504

(*) Restated means restatement numbers, which were previously reported, and results from the change in accounting policy as described in item 5.



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1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 30 September 2008		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (**)	308,554	112,603	421,157
Amount repayable after one year	1,221,487	306,353	1,527,840

	As at 30 September 2007		
	Secured	Guaranteed	Total
	Baht'000	Baht'000	Baht'000
Amount repayable in one year or less, or on demand (**)	412,255	221,852	634,107
Amount repayable after one year	1,580,922	197,637	1,778,559

(**) Including bank overdrafts, short-term loans from financial institutions, and current portions of long-term loans and finance leases

As at 30 September 2008, one land and building, one support vessel, one saturation diving system, and two tender rigs were mortgaged with various banks as collateral for the group's borrowings and debt securities. For more details, please read the notes to the audited consolidated and Company financial statements for the year that ended on 30 September 2008, which are available in the SGX's website or the Company's website.



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1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated	
	2008 Baht'000	2007 Baht'000
Cash flows from operating activities		
Profit before income taxes	1,070,095	552,104
Adjustments for:		
Depreciation	561,255	498,872
Amortisation of intangible assets	8,580	8,589
Interest expenses	123,994	175,263
Net (gains) losses on disposal and write off of property, plant and equipment	5,988	10,198
Gains on disposals of investments in subsidiaries	-	(2,995)
Realised gains on exchange rates	(10,363)	(16,303)
Unrealised gains on exchange rates	(86,709)	(165,290)
Provision (reversal) of bad and doubtful accounts receivable	9,468	1,706
Retirement benefit obligations	2,014	(2,010)
Profit share of investments in associates	(32,132)	-
Changes in operating assets and liabilities (excluding the effects of acquisitions and disposals)		
- Trade accounts receivable – others	(452,870)	(45,614)
- Trade accounts receivable - related parties	109	15,244
- Amounts due from related parties	(14,163)	(12)
- Inventories	-	864
- Supplies and spare parts	(33,934)	(29,348)
- Other current assets	(111,690)	(90,220)
- Other non-current assets	32,376	(36,120)
- Trade accounts payable – others	(46,354)	138,401
- Trade accounts payable - related parties	(46,778)	10,896
- Other accounts payable	3,215	(7,778)
- Amounts due to related parties	(1,218)	468
- Accrued expenses	(43,517)	83,854
- Other current liabilities	44,410	28,310
Cash generated from operations	981,776	1,129,079
-Interest paid	(123,502)	(175,263)
-Income taxes paid	(63,773)	(59,948)
Net cash inflows (outflows) from operating activities	794,501	893,868



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	Consolidated	
	2008	2007
	Baht'000	Baht'000
Cash flows from investing activities		
Payments of short-term loans to related parties	(1,147,989)	-
Proceeds from disposal of investment in subsidiaries	-	31,763
Payments for investment in subsidiaries	(202,784)	-
Payments for investments in associates	(373,164)	-
Proceeds from disposals of property, plant and equipment	17,494	254,211
Purchases of property, plant and equipment	(3,124,869)	(716,910)
Purchases of intangible assets	(12,941)	(1,666)
Net cash inflows (outflows) from investing activities	(4,844,253)	(432,602)
Cash flows from financing activities		
Net proceeds (payments) from bank overdrafts	(20,274)	(19,785)
Proceeds of short-term loans from financial institutions	41,514	202,704
Payments on short-term loans from financial institutions	(243,092)	(160,000)
Payments on finance lease liabilities	(6,590)	(8,466)
Proceeds from long-term loans from financial institutions	170,565	144,036
Repayments on long-term loans from financial institutions	(395,882)	(264,227)
Dividends paid to minorities	-	(29,141)
Payments on capital investment to minorities	(90,547)	-
Proceeds from issuance of share capital	158,000	-
Proceeds from share premium	5,244,439	-
Proceeds from issuance of share capital received from minorities	325,188	-
Net cash inflows (outflows) from financing activities	5,183,321	(134,879)
Net increase in cash and cash equivalents	1,133,569	326,387
Cash and cash equivalents at the beginning of year	511,700	185,313
Effects of exchange rate changes	81,161	-
Cash and cash equivalents at the end of year	1,726,430	511,700



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1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Consolidated 2008						
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Translation adjustments for investments in foreign subsidiaries Baht'000	Legal reserves Baht'000	Unappropriated retained earnings Baht'000	Minority interests Baht'000	Total Baht'000
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	5,244,439	-	-	-	325,188	5,727,627
Return of capital investment from a subsidiary	-	-	-	-	-	(90,547)	(90,547)
Effect of additional investments in subsidiaries	-	-	-	-	-	11,830	11,830
Net profit for the year	-	-	-	-	1,156,291	5,766	1,162,057
Legal reserves	-	-	-	33,997	(33,997)	-	-
Translation adjustments for investments in foreign subsidiaries	-	-	(25,032)	-	-	(7,027)	(32,059)
Ending balance as at 30 September 2008	541,205	6,470,791	(24,536)	39,717	2,261,511	385,254	9,673,942

	Company 2008						
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Translation adjustments for investments in foreign subsidiaries Baht'000	Legal reserves Baht'000	Unappropriated retained earnings Baht'000	Total Baht'000	
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 change in 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	5,244,439	-	-	-	5,402,439	
Net profit for the year	-	-	-	-	138,862	138,862	
Legal reserves	-	-	-	33,997	(33,997)	-	
Ending balance as at 30 September 2008	541,205	6,470,791	-	39,717	115,730	7,167,443	



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Consolidated 2007

	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Translation adjustments for investments in foreign subsidiaries Baht'000	Appropriated retained earnings- legal reserve Baht'000	Unappropriated retained earnings Baht'000	Minority interests Baht'000	Total Baht'000
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 year	-	-	-	-	541,082	(7,795)	533,287
Dividends paid by a subsidiary	-	-	-	-	-	(29,141)	(29,141)
Translation adjustments for investments in foreign subsidiaries	-	-	4,634	-	-	886	5,520
Ending balance as at 30 September 2007	383,205	1,226,352	496	5,720	1,139,217	140,044	2,895,034

Company 2007 (Restated) (*)

	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Translation adjustments for investments in foreign subsidiaries Baht'000	Appropriated retained earnings- legal reserve Baht'000	Unappropriated retained earnings Baht'000	Total Baht'000
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 change in 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 year	-	-	-	-	35,922	35,922
Ending balance as at 30 September 2007	383,205	1,226,352	-	5,720	10,865	1,626,142

(*) Restated means restatement numbers, which were previously reported, and results from the change in accounting policy as described in item 5.



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1 (d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued share excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Registered		Issued and Paid-up			
	Number of shares	Share capital	Number of shares	Share capital	Share premium	Total
	Shares'000	Baht'000	Shares'000	Baht'000	Baht'000	Baht'000
As at 30 September 2007	674,537	674,537	383,205	383,205	1,226,352	1,609,557
Issued shares	-	-	158,000	158,000	5,244,439	5,402,439
As at 30 September 2008	674,537	674,537	541,205	541,205	6,470,791	7,011,996

As mentioned in the previous announcement, during the first quarter that ended on 31 December 2007, the Company increased its paid-up share capital from 383,205,340 ordinary shares to 541,205,340 ordinary shares at a par value of Baht 1 per ordinary share, totalling Baht 158,000,000. The increase of paid-up share capital was from the Company’s Initial Public Offering (“IPO”), which occurred on 16 October 2007.

There was no transaction of treasury shares during the years that ended 30 September 2008 and 2007.

As at 30 September 2008 and 2007, the registered share capital of the Company was Baht 674,537,393.

As at 30 September 2008 and 2007, the paid-up share capital of the Company equalled Baht 541,205,340 and Baht 383,205,340, respectively.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of immediately preceding year.

As at 30 September 2008 and 2007, the Company’s issued shares were 541,205,340 shares and 383,205,340 shares, respectively, with a par value of Baht 1 per share.

As at 30 September 2008 and 2007, there were no outstanding treasury shares.

1 (d)(iv) Statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, since the Company has not transacted treasury shares during the years that ended on 30 September 2008 and 2007.



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2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have been audited by the Company's auditor in accordance with generally accepted auditing standards applicable in Thailand ("Thai GAAP") except for item 17 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS" which is provided by the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The auditor is of opinion that the consolidated and Company financial statements present fairly, in all material respects, the consolidated and Company financial statements position as at 30 September 2008, and the consolidated and Company results of operations and cash flows for the year then ended of the Company and its subsidiaries, and of the Company, respectively, in accordance with generally accepted accounting principles.

The signed auditor's report is on page 1 of the audited consolidated and Company financial statements for the year that ended on 30 September 2008, which is reported together with the announcement and is available in the SGX's website and the Company's website.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation as in the Group's most recently audited annual Thai GAAP financial statements have been applied, except as described in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Change in accounting policy

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.



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	<u>Company</u> <u>2007</u> <u>Baht'000</u>
Balance Sheets	
Decrease in investments in subsidiaries	(1,128,848)
Decrease in translation adjustments for investments in foreign subsidiaries	(496)
Decrease in beginning balance of retained earnings as at 1 October 2006	(623,192)
Decrease in beginning balance of retained earnings as at 1 October 2007	-
Decrease in ending balance of retained earnings	(505,160)
Statement of income	
Decrease in share of profit of investments in subsidiaries and associates	(536,803)
Increase dividend income	30,331
Increase in gains on disposal of investments	<u>1,312</u>
	<u>(505,160)</u>
Decrease in earning per share	(1.32)

Early adoption of new accounting standards

During 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, an intangible asset of indefinite life will not be amortised and instead, an impairment review will be conducted if there is any indication of impairment. 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.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for reference dividends.

	<u>Consolidated</u>		
	<u>For the years that ended on 30 September</u>		
	<u>2008</u>	<u>2007</u>	<u>Changes</u>
	<u>Baht</u>	<u>Baht</u>	<u>%</u>
Basic earnings per share			
Based on weighted average number of ordinary shares in issue	2.17	1.41	53.9%

There are no potential dilutive ordinary shares in issue during the years that ended on 30 September 2008 and 2007.



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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

Consolidated		Company	
30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
Baht	Baht	Baht	Baht

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective year

17.87	7.55	13.24	4.24
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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

For the year that ended on 30 September 2008, total service income and sales of the Company were Baht 5,285.44 million, an increase of Baht 1,154.17 million or 27.9%, from Baht 4,131.27 million for the year that ended on 30 September 2007. The higher revenues were primarily a result of strong performance in our subsea engineering group, including higher day rates and higher utilisation of our subsea assets, which was partially offset by lower than expected contributions from our drilling group as a result of rig downtime, which resulted in a decrease in revenues.

Gross profit was Baht 1,598.90 million, an increase of Baht 282.29 million or 21.4%. The slight decrease in the gross profit margin of 1.62% reflects the lower contribution from our drilling group as mentioned above.

Operating profit was Baht 1,161.96 million, an increase of Baht 434.59 million or 59.7%. The higher operating profit was a result of higher gross profits as mentioned above and insurance claim income from the MTR-1 fire incident in the fourth quarter of 2007 of Baht 95.12 million, while related expenses were recorded in the fourth quarter of 2007.

During the year, the Group recorded deferred tax assets of Baht 154.00 million, which resulted in a net positive income tax of Baht 91.96 million as presented in the consolidated statement of income. The deferred tax assets arise mainly from the losses incurred during the year of our drilling subsidiary, MTR-2. As the Company anticipates that there will be future taxable profits after the expiration of Board of Investment privileges, these future profits can be offset with the losses carried forward.



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Net profit was Baht 1,162.06 million, including an exchange gain of Baht 159.75 million, as compared to Baht 533.29 million, including an exchange gain of Baht 114.49 million. The majority of the exchange gains were unrealised and primarily occur from translation of foreign currencies into Thai Baht at the year-end date for reporting purposes. Excluding exchange gains and tax effects, net profit increased by Baht 472.73 million or 108.0%.

Business Segment Analysis

Drilling: The drilling segment generated 23.6% and 2.2% (***) of the Company's total revenues and operating profits, respectively.

During the year, the Company's drilling units, MTR-1 and MTR-2, had committed client contracts.

MTR-1 was under contract and working in Indonesia throughout the year. The utilisation of MTR-1 for the year was 96.9%.

MTR-2 was offhire for six months in the year and recommenced its contract with Chevron Thailand on April 22, 2008 after completing its periodic surveys and upgrades. This downtime was longer than expected as a result of delays in receiving certain long lead time items to upgrade the rig based on our client's specifications and complete the special periodic survey. The utilisation of MTR-2 after recommencement increased according to plan from 28.9% in April, 67.2% in May, 99.7% in June, 99.8% in July, and 100.0% in August and September.

Subsea Engineering: The assets in our subsea engineering segment had an 86.1% utilisation rate during the year, and generated 74.3% and 83.6% (***) of the Company's total revenues and operating profits, respectively. This strong performance was driven by rising day rates throughout the year, as well as higher utilisation across our fleet.

These high utilisation rates of both drilling and subsea engineering are continuing in the first quarter 2009.

(***) Operating profit calculations include foreign exchange gains and losses.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable



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10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Drilling

The tender rig market has continued to remain buoyant throughout the financial period. We have witnessed within the tender rig market new contract awards that have reflected continuing day rate increases and we are only now experiencing day rates possibly reaching a plateau at the top end, typically in the US\$115,000 – US\$125,000.

For Mermaid Drilling Ltd (MDL), MTR-1 is presently under contract with Amerada Hess through mid-2009 and MTR-2 with Chevron through early 2010. Our newbuild tender rig KM-1 is presently under construction and remains both on financial and delivery targeted schedules. We have also recently announced a primary five year term contract for KM-1 with PCSB that includes options to the initial primary period. There is one significant factor that will impact our results in MDL for the new financial year, namely re-pricing of MTR-1 on completion of the existing Amerada Hess contract.

The market sentiment for tender rigs continues to see near full utilisation with recent evidence of the five-year term contract being granted in October to KM-1. While there are multiple newbuild jackup deliveries expected, a number of these units will effectively be replacing older units that will likely be retired from the market should there be any softening of demand. In addition, smaller, shallow water jackups, which are seeing some price erosion in Gulf of Mexico, cannot be economically mobilised to Asia and are not suited for water depths of many locations currently serviced by tender rigs. Accordingly, these shallow water rigs are not seen as a competitive alternative to tender rigs.

Subsea Engineering

Subsea engineering vessels continue to be in short supply throughout the region, and term contracts are being secured at near record high day rates. Our DSV Mermaid Commander was recently awarded a five-year contract consisting of one year firm and four one year options that will be market linked. Our second DSV, Team Siam, is committed through until the end of the calendar year and discussions are presently ongoing related to a long term charter requirement. Both vessels remain in high demand and further longer term commitments can be expected at rates similar, if not exceeding, current charter rates. Our charter vessel, Binh Minh, recently completed ROV operations in Sakhalin and is presently being prepared for its next charter. This vessel is equipped with state of the art deepwater ROV technology and will continue to be in high demand due to its operational adaptability combining survey and air diving services. Our other vessels are presently operating on various contracts maintaining an overall high utilisation rate.

Our two newbuilds, one DP2 ROV/Survey vessel and one DP2 DSV vessel, are under construction and on schedule for delivery in Q3 CY 2009 and Q2 CY 2009, respectively. Both vessels will add significant revenue streams to the sub sea group provided they commence charter operations on delivery.



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Market – General

Although we have not yet directly experienced any immediate “fall out” from the financial crisis or oil price reductions, there does exist a possibility that some of the smaller oil and gas companies may have to reduce or postpone some projects. As both our subsidiaries provide services to the production arm of the business, we feel less exposed than other companies which focus on the seismic and exploration arms. From correspondence with our core customers, we believe that our quality of service and safety performance will continue to secure contracts and maintain our high utilisation.

We have secured all bank debt facilities to complete our new build commitments. We believe this places us in a very strong position as we will continue to look for market opportunities to further enhance our fleet and services.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared.

(b) (i) Amount per share.....cents

Not applicable

(b) (ii) Previous corresponding period.....cents

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable



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Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13.Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Consolidated							Unit: Baht’000
	For the year that ended on 30 September 2008							
	Turn-key diving, ROV and NDT services to offshore industries	Drilling services	Ownership and operation of multi-purpose offshore service vessels	Training services	Ships chandlery	Surveys	Unallocated	Group
Total service income	3,927,191	1,249,044	-	24,949	-	136,141	-	5,337,325
Inter-segment service income	-	-	-	(521)	-	(51,361)	-	(51,882)
Service income	3,927,191	1,249,044	-	24,428	-	84,780	-	5,285,443
Operating profit (loss)	971,596	25,421	2,026	2,084	-	19,357	141,473	1,161,957
Interest expenses								(123,994)
Income taxes								91,962
Profit share from associates								32,132
Net profit for the year								1,162,057
Property, plant, equipment, and intangible assets	2,980,818	4,247,947	-	9,102	-	59,200	212,151	7,509,218
Total assets								13,179,602



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	Consolidated					Unit: Baht'000	
	For the year that ended on 30 September 2007						
	Turn-key diving, ROV and NDT services to offshore industries	Drilling services	Ownership and operation of multi-purpose offshore service vessels	Training services	Ships chandlery	Unallocated	Group
Total service income	2,867,437	1,242,865	8,651	14,976	-	-	4,133,929
Inter-segment service income	-	(2,844)	-	(776)	-	-	(3,620)
Service income	2,867,437	1,240,021	8,651	14,200	-	-	4,130,309
Sales	-	-	-	-	964	-	964
Total service income and sales	2,867,437	1,240,021	8,651	14,200	964	-	4,131,273
Operating profit (loss)	717,450	123,248	(3,778)	(1,314)	(14,142)	(94,097)	727,367
Interest expenses							(175,263)
Income taxes							(18,817)
Net profit for the year							533,287
Property, plant, equipment, and intangible assets	2,123,776	1,640,229	-	11,160	-	246,494	4,021,659
Total assets							5,945,730



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14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see review of performance in paragraph 8 above.

15. A breakdown of sales.

	For the year ended 30 September		Changes %
	2008	2007	
	Baht'000	Baht'000	
Sales and services reported for the first half year	2,172,956	1,939,079	12.06%
Operating profit after tax before deducting minority interests reported for the first half year	286,148	485,551	(41.07%)
Sales and services reported for the second half year	3,112,487	2,192,194	41.98%
Operating profit after tax before deducting minority interests reported for the second half year	875,809	241,816	262.18%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable

17. A reconciliation of difference between Thai GAAP to IFRS.

Currently, the Company has applied IAS 12: Income Taxes, IAS 16: Property, Plant, and Equipment, IAS 18: Revenue (in relation to revenue recognition of mobilisation fee), and IAS 19: Employee Benefits in its Thai GAAP financial statements. The Company received a waiver from Singapore Exchange Limited and has not applied IAS 21: The Effects of Changes in Foreign Exchange Rates. Therefore, the significant difference between Thai GAAP and IFRS financial statements is clarified below.



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The Effects of Changes in Foreign Exchange Rates

Thai GAAP

Thai GAAP does not require a determination of the functional currency (the currency of the primary economic environment in which the entity operates). The measurement currency as presented in the Thai GAAP financial statements is the local currency of Thai Baht for companies registered in Thailand.

IFRS

IFRS requires each individual entity included in the reporting entity to determine its functional currency and measure its results and financial position in that currency.

Impact

Because the functional currency of Mermaid Offshore Services Ltd., MTR-1 Ltd., MTR-2 Ltd., and Mermaid Drilling (Malaysia) Sdn. Bhd. is in US Dollars, accounting records need to be measured in the functional currency. This would affect all balance sheet and income statements line items.

The net effects on the consolidated income statements for the years that ended on 30 September 2008 and 2007 and balance sheets as at 30 September 2008 and 2007 can be summarised as follows:

	Net effects on Consolidated Income Statement for the year that ended on 30 September 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total sales and service income	5,285.44	5,285.45	0.01
Total cost of sales and service income	3,686.55	3,691.31	4.76
Service and administrative expenses	731.56	726.62	(4.94)
Operating profit (loss)	1,161.96	1,099.10	(62.86)
Net profit for period	1,162.06	1,099.21	(62.85)

	Net effects on Consolidated Income Statement for the year that ended on 30 September 2007		
	Thai GAAP (Restated)	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total sales and service income	4,131.27	4,131.43	0.16
Total cost of sales and service income	2,814.67	2,761.68	(52.99)
Service and administrative expenses	729.97	730.57	0.60
Operating profit (loss)	727.37	708.65	(18.72)
Net profit for period	541.08	495.07	(46.01)

	Net effects on Consolidated Balance Sheet as at 30 September 2008		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	4,856.23	4,808.48	(47.75)
Total non-current assets	8,323.37	8,166.21	(157.16)
Total current liabilities	1,972.45	2,029.97	57.52
Total non-current liabilities	1,533.21	1,572.46	39.25



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	Net effects on Consolidated Balance Sheet as at 30 September 2007		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	1,818.66	1,810.60	(8.06)
Total non-current assets	4,127.07	3,608.32	(518.75)
Total current liabilities	1,268.78	1,263.66	(5.12)
Total non-current liabilities	1,781.92	1,781.86	(0.06)

18. Negative assurance on interim financial statements

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company, which may render the audited financial results for the year that ended on 30 September 2008 of the Group and the Company to be false or misleading.

BY ORDER OF THE BOARD

M.L. Chandchutha Chandratat
Chairman of the Board of Directors
19 November 2008