



Mermaid Maritime Plc

2Q 2015 Results

Investor Update

August 14, 2015



Agenda

- **CEO Report**
- **Financial Review**
- **Business Outlook**



MERMAID MARITIME
PUBLIC COMPANY LIMITED

CEO Report

Chalermchai Mahagitsiri

Executive Vice Chairman



2Q 2015 Highlights

Earnings turnaround on improved subsea performance

Three high performing subsea vessels resume service post previous quarter off-hire due to scheduled dry-dock program

Continued profit growth in cable laying venture; business continue to gain traction with customer

Delayed earnings impact from Asia Offshore Drilling rate cut as bare boat charter rate pass thru yet to be revised to reflect lower day rate

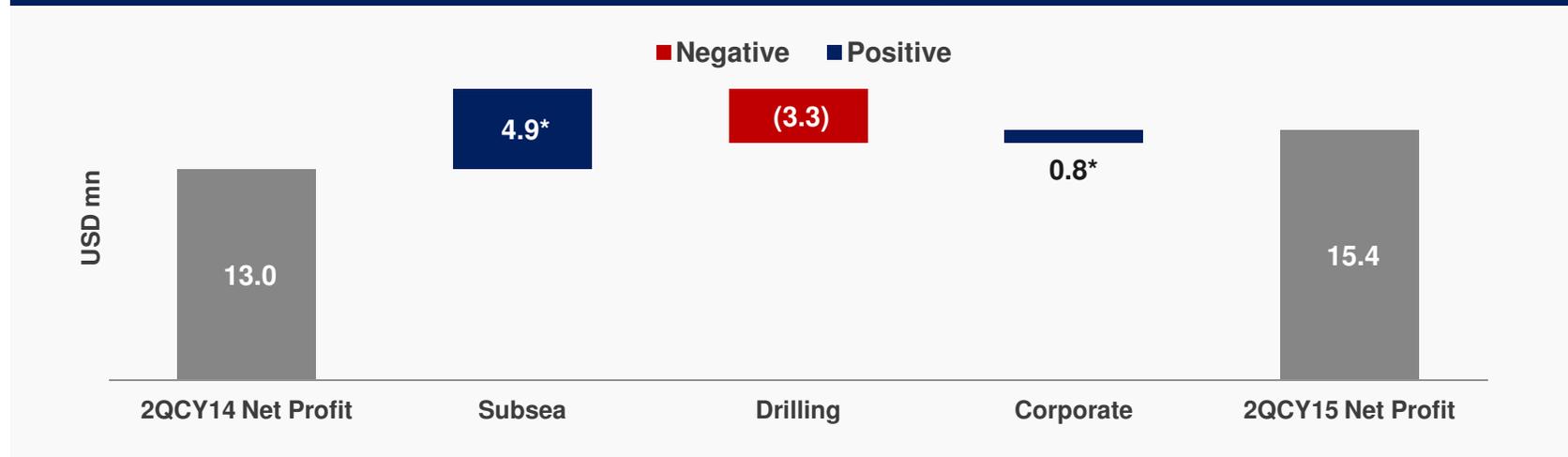
MTR-2 tender rig conservatively reclassified from Asset for Sale to Fixed Asset given weak markets, additional USD1.5m depreciation charge taken

Solid order book (excl. Asia Offshore Drilling) at USD358m



2Q 2015 Net Profit US\$15.4m

YoY Net Profit Change



QoQ Net Profit Change



* Adjusted to exclude the impact of group internal FX translation loss of USD 5.6m booked under corporate (gain for subsea) for comparison purpose; FX translation loss relates to Thai-denominated debt by holding company (corporate) to subsea subsidiary

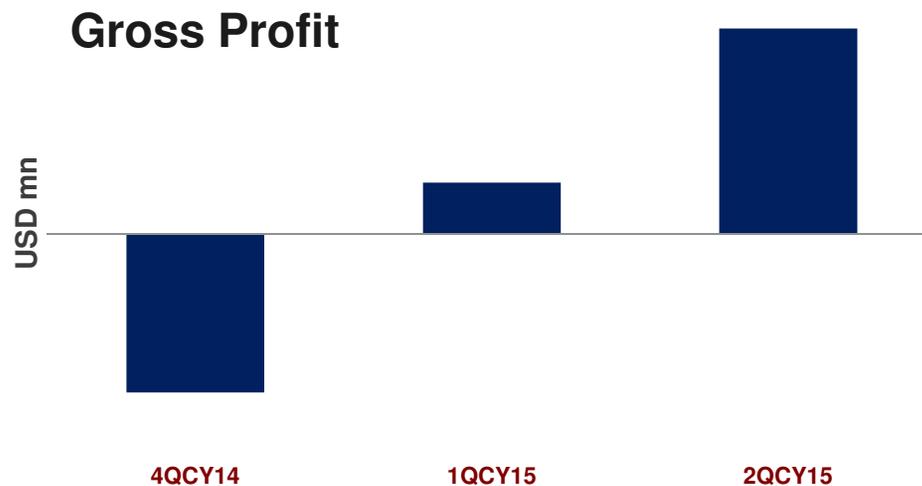


Subsea vessels resuming service post dry dock

Subsea Vessel	Dry Dock Maintenance	Scheduled Dry Dock Days	Service Location	Vessel Utilization
COMMANDER 	Intermediate Survey	48 Days (Jan - Feb 2015)	Thailand	81%
ENDURER 	Special Survey	75 Days (Jan - Mar 2015)	Middle East	100%
ASIANA 	Special Survey	76 Days (Jan - Mar 2015)	Middle East	100%



Better execution at cable laying



- New cable laying business continued to perform satisfactorily on higher earnings
- Solid client traction; new enquiries for prospective contracts
- Better execution post initial steep learning curve, and as the group tightened project and risk management process

	Cable Laying				
	Project I	Project II	Project III	Project IV	Project V
Subsea Vessel	Daya II	Supporter	Supporter	Bourbon 808	Bourbon 808
Profitability	Loss	Loss	Profit	Breakeven	N/A
Status	Completed	Completed	Completed	Completed	New
Period	Sep 14 - Jan 15	Jul 14 - Jan 15	Oct 14 - May 15	Mar 15 - Jun 15	Start Aug 15



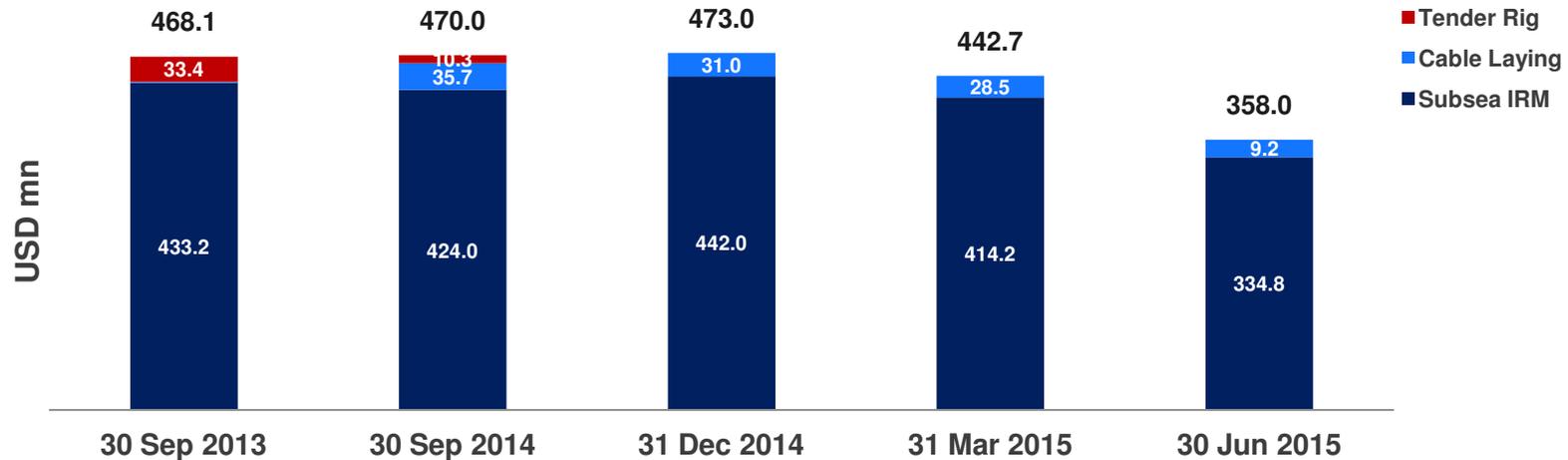
AOD equity income contribution yet to reflect recent rate cut

- 33.8% drilling associate Asia Offshore Drilling Limited (“AOD”) has reached an agreement with its customer Saudi Arabian Oil Company (“Saudi Aramco”) to reduce the operating day rates on the jackup rigs AOD I, AOD II, and AOD III by 10 percent
- Operating day rate reductions are effective from April 1, 2015 through to March 31, 2016
- As announced to SGX on May 28, 2015, this will reduce AOD’s backlog by approximately USD 20 million
- Notwithstanding the rate reduction, equity income from AOD in 2QFY2015 have yet to feel the impact as bare boat charter rate pass thru yet to be revised to reflect lower day rate
- AOD income would have been lower by ~USD 4.8 million (USD 1.6 million to Mermaid) reflecting the day rate cut

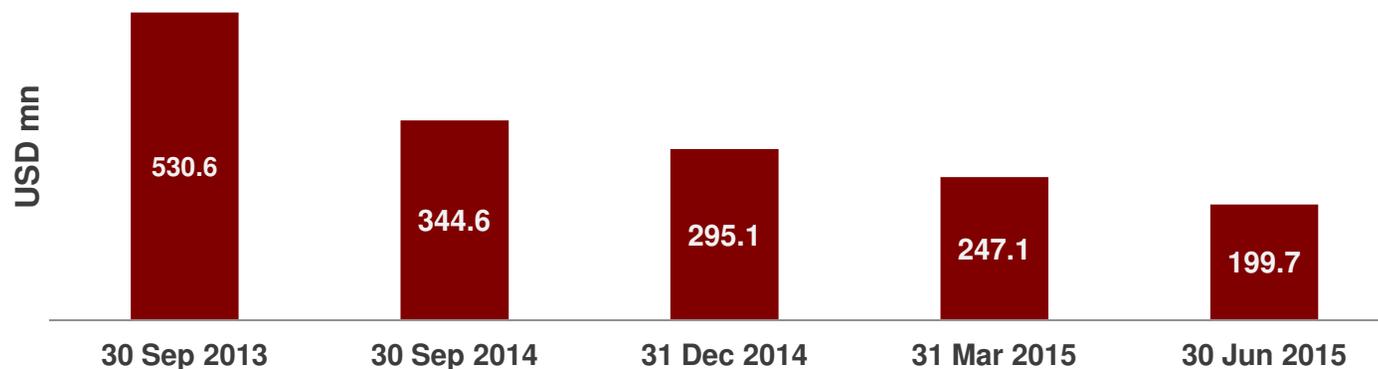


Order book declined to USD358m on strong 2Q CY2015 subsea work

Order Book (excluding Asia Offshore Drilling)



Asia Offshore Drilling Order Book*



* Mermaid Maritime owns 33.76% stake in Asia Offshore Drilling



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Financial Review

Katarat Suksawang

Chief Financial Officer

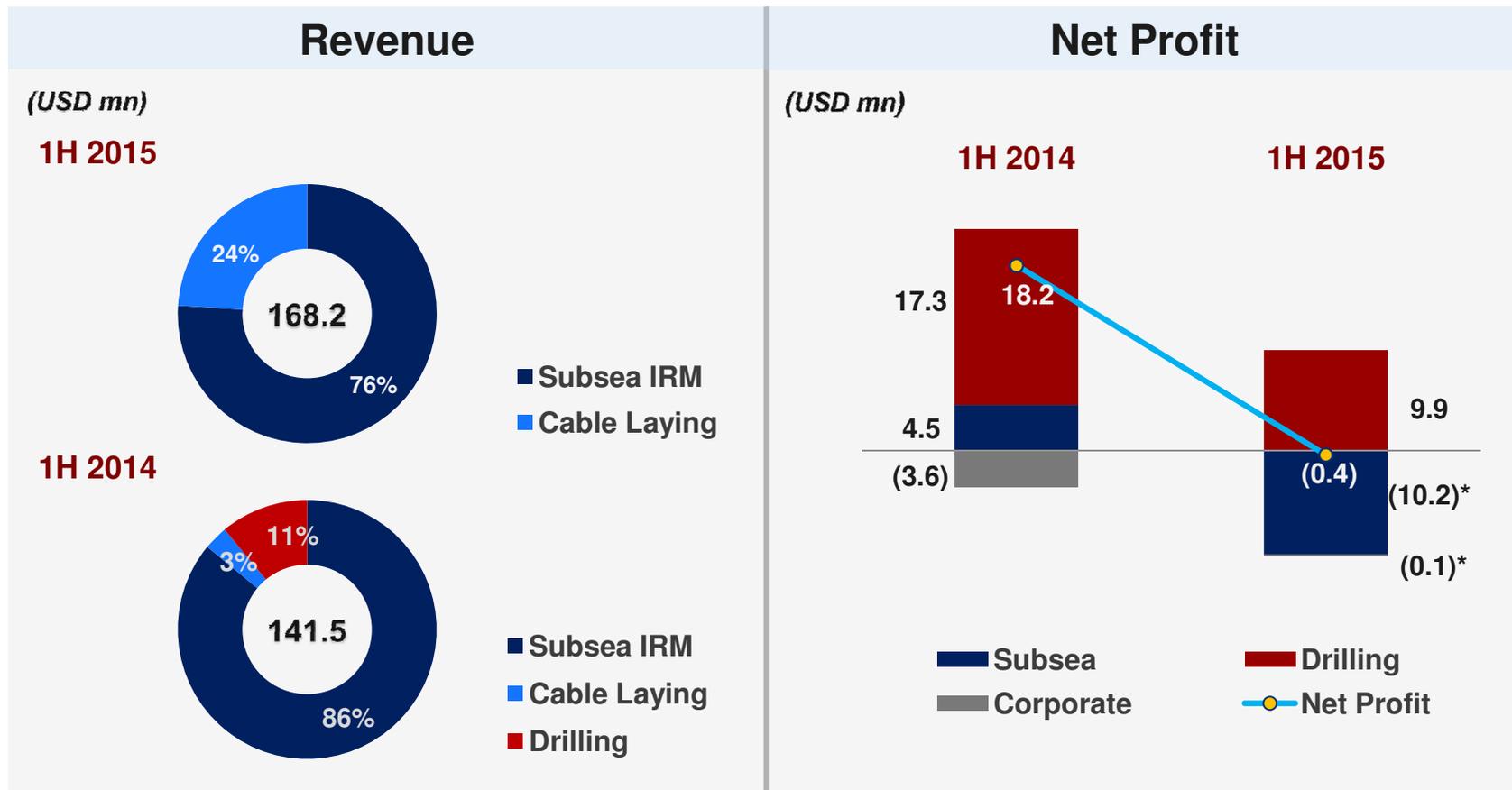


1H 2015 Profit & Loss

USD mn	1H CY15	1H CY14	Δ %
Turnover	168.2	141.5	18.9
EBITDA	2.7	21.2	(87.3)
Profit from Operations	1.8	21.6	(91.7)
EBIT	(12.9)	5.6	(330.4)
Associates & JV Equity Income	14.7	16.0	(8.1)
Finance Cost	(1.6)	(1.9)	(15.8)
Profit before Tax	0.2	19.7	(99.0)
Tax	(0.6)	(1.5)	(60.0)
Net Profit	(0.4)	18.2	(102.2)
EPS (US cents)	-	1.3	(100.0)



1H 2015 Segmental Contribution



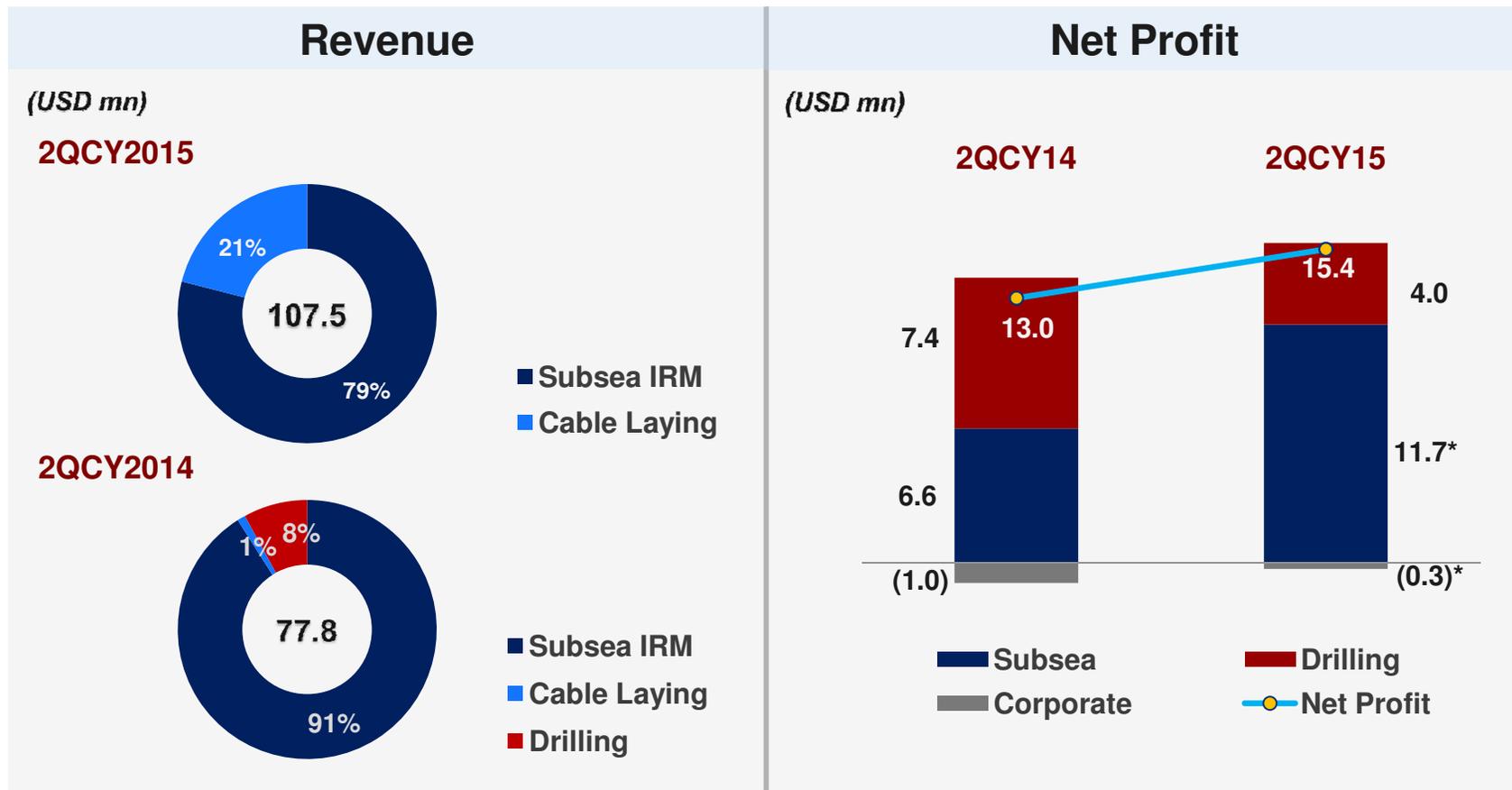


2Q 2015 Profit & Loss

USD mn	2Q CY15	2Q CY14	Δ %
Turnover	107.5	77.8	38.2
EBITDA	18.6	15.5	20.0
Profit from Operations	16.5	15.1	9.3
EBIT	9.0	7.7	16.9
Associates & JV Equity Income	7.5	7.4	1.4
Finance Cost	(0.8)	(0.9)	(11.1)
Profit before Tax	15.7	14.2	10.6
Tax	(0.3)	(1.2)	(75.0)
Net Profit	15.4	13.0	18.5
EPS (US cents)	1.1	0.9	22.2



2Q 2015 Segmental Contribution



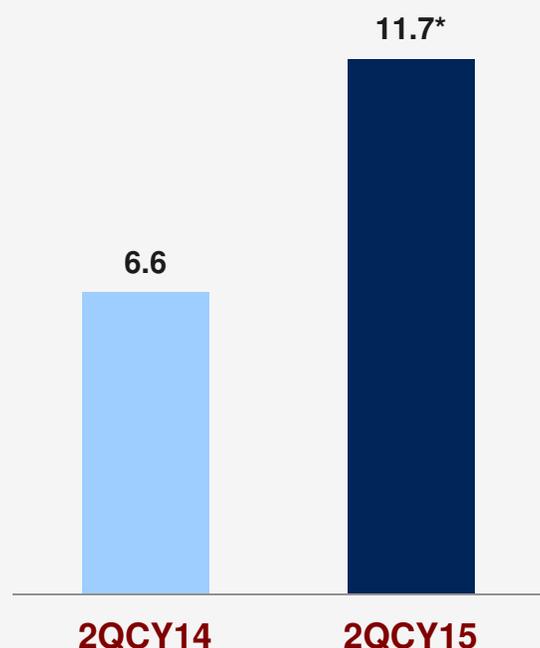
* Adjusted for group internal FX translation loss of USD 5.6m booked under corporate (FX gain for subsea) in 2Q CY2015 for Thai-denominated debt by holding company (corporate) to subsea subsidiary



Seasonally strong subsea performance

Solid Earnings Momentum

USD mn



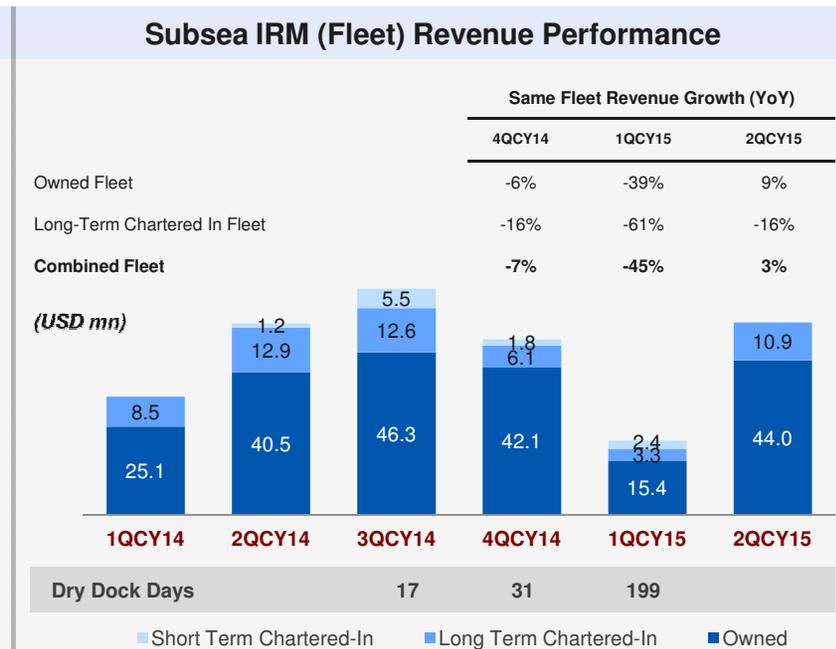
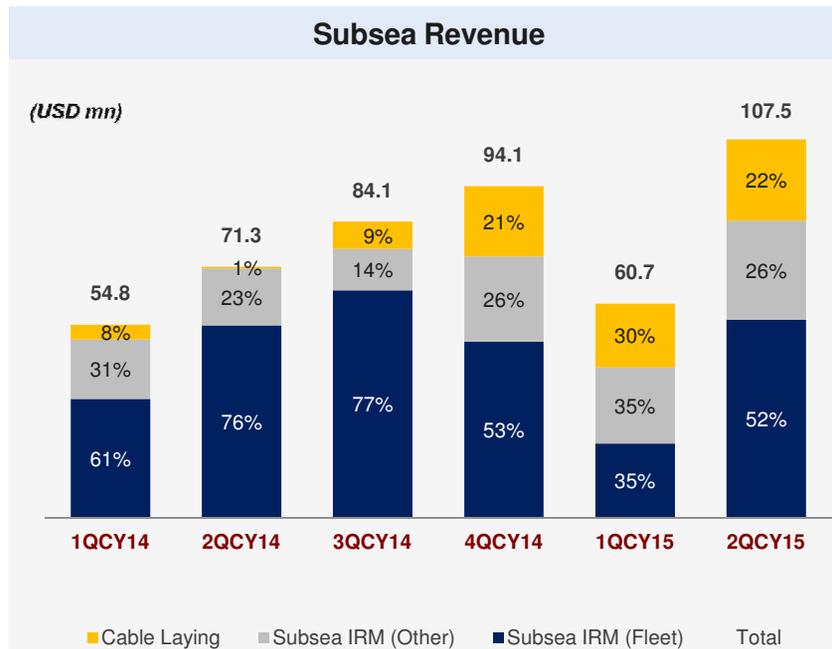
* Adjusted to exclude group internal FX translation gain of USD 5.6m for Thai-denominated debt by holding company to subsea subsidiary

Subsea Net Profit at US\$ 11.7 Million

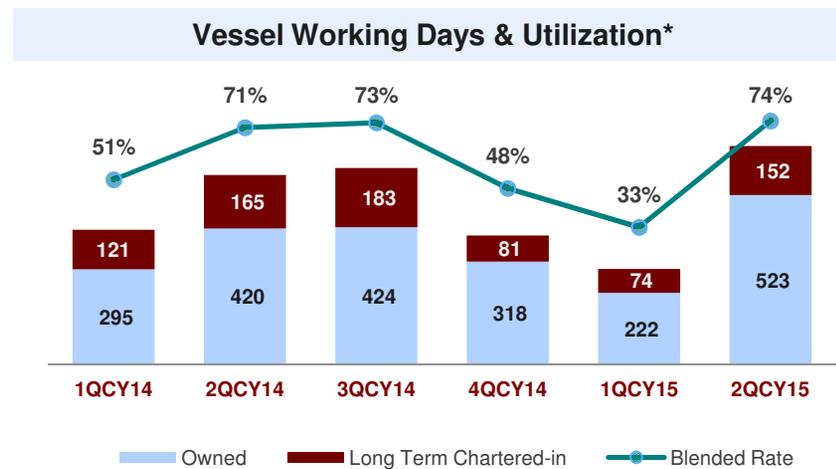
- 2QCY15 turnover at USD 107.5 Mn up 51%, underpinned by the group's expanded service offering and higher IRM service
- Despite lower gross margins, subsea earnings grew substantially underpin by maiden cable laying earnings
- Traditionally seasonally strong quarter
- Three high performing vessels off-hire last quarter on dry-dock were deployed at satisfactory day rates
- Short deployment of long-term chartered in Windermere vessel prior to scheduled dry dock



Seasonally high vessel utilization, same fleet revenue grew 3% YoY



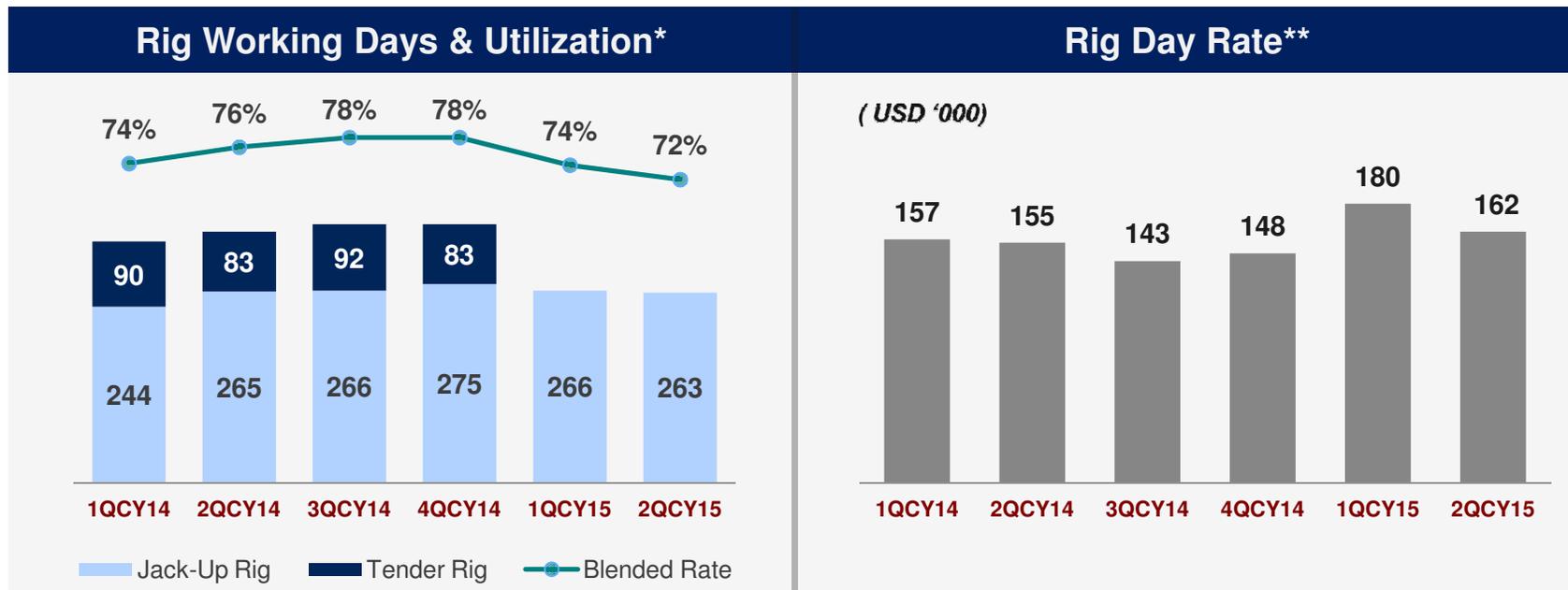
- Substantial yoy increase in subsea revenues driven by seasonal factors and also new cable laying business revenue contribution
- Fleet utilization rate increased to 74% in 2QCY15 mainly as three of our own vessels (Commander, Endurer and Asiana) resume service post mandatory dry dock maintenance, and previous non-performing vessels been also deployed
- Combined same fleet revenue grew 3% yoy underpinned by 9% yoy growth at owned fleet revenue



* Total Working Days / Total Vessel Calendar Day



Steady jack-up drilling performance



- With MTR-1 transferred to Asset for Sale (since 1Q CY2015) and MTR-2 still uncontracted, overall rig utilization rate was 72% in 2Q CY2015
- Asia Offshore Drilling jack-up rigs continue to operate strongly at 96% utilization rate in 2Q CY2015 (1Q CY2015 XX%)
- Effective drilling rig day rates improve without the lower day rate tender rig
- Jack-up rig day rate fell to USD162,000/day, 10% lower than previous quarter's USD180,000/day

* Total Working Days / Total Rig Calendar Days

** Rig Earned Revenues / Total Working Days



Statement of Financial Position

USD mn	30 Jun 2015	31 Dec 2014	Δ (%)
Current Assets	251.7	228.8	9.1
Non-Current Assets	517.1	534.5	(3.4)
Total Assets	768.8	763.3	0.7
Current Liabilities	116.6	87.4	25.0
Non-Current Liabilities	99.4	110.0	(10.7)
Total Liabilities	216.0	197.4	8.6
Total Equity	552.8	565.9	(2.4)
Property, Plant and Equipment	351.5	378.3	(7.6)
Bank Balances, Deposits and Cash	61.9	93.4	(50.9)
Total Borrowings	117.3	112.7	3.9



Group Free Cash Flow

USD mn	1HCY15	1HCY14
CASH FLOW FROM OPERATING ACTIVITIES		
Before Changes in Working Capital	6.7	22.1
Changes in Working Capital	(10.7)	(9.1)
Tax Paid	(4.1)	(2.7)
Others	(1.8)	(1.9)
	(9.9)	8.4
CASH FLOW FROM INVESTING ACTIVITIES		
Divestments, Dividend and Interest Income	7.1	(24.8)
Capital Expenditure & Investments	(22.1)	(73.3)
	(15.0)	(98.1)
FREE CASH FLOW	(24.9)	(89.7)



Borrowings

USD mn	30 Jun 2015	31 Dec 2014	30 Sep 2014
Interest Bearing Debt			
Asset-backed Financing	101.4	103.3	107.3
Unsecured Loan	15.9	9.4	10.1
	117.3	112.7	117.4
Cash and Cash Equivalent	(61.9)	(93.4)	(84.9)
Net Debt / (Cash)	55.4	19.3	32.5
Shareholder Funds	552.8	565.9	561.8
Net Gearing	10.0%	3.4%	5.8%



Debt Maturity Profile

Interest Bearing Debt (30 Jun 2015): USD 117.3 Million





Business Outlook

- Challenging operating conditions with industry ongoing cuts in global exploration and production expenditure
- Significant new supply post past years' industry boom entering market, further adding on pressures
- Competitors exiting or going out of business; more pain likely with several competitors facing huge refinancing needs near-term
- Focusing on more resilient E&P markets such as Middle East where it is still forecasted to show growth in 2015, as well as the more stable production phase segment
- Focus on cost mgmt, and to expand product capability to sustain earnings
- Actively marketing for contracts; Group cautiously optimistic on prospective contract for new tender rig currently under construction in China as well as prospective contract for MTR-2 tender rig in the Gulf of Thailand
- Strong financial position given limited leverage, potentially taking advantage of opportunistic expansion for distressed asset sales



Strategic Initiatives

To be the Preferred Global Oil Service Specialist Partner

**Leading Global Subsea Specialist
'From Tonnage to Service Provider'**

**Premium Drilling Asset Owner & Operator
in particular South East Asia**

Leverage on Core
Competency to Build Brand &
Premium Niche Position

Leverage Capabilities for
Growth

Create & Sustain
Shareholder Value

Strengthening the Core

- 1 Maintain high client service engagement standards
- 2 Engage customers on collaborative cost savings
- 3 Step up risk management to avoid excessive project cost exposure
- 4 Streamline operation/process for higher cost efficiencies
- 5 Solid Fleet Renewal Program

Positioning for Growth

- 6 Subsea gradual move up the value chain
- 7 New markets expansion
- 8 Market drilling expertise to asset owner looking for operator
- 9 Identify potential transformative acquisitions



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Investor Relations

**David Ng
Yanisa Dechapahul**

+66 2 250 0570 Ext 293

ir@mermaid-maritime.com