



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

ANNOUNCEMENT OF NEWBUILD TENDER RIGS AND NEWBUILD DIVE SUPPORT VESSEL

1. Introduction

The Board of Directors of Mermaid Maritime Public Company Limited (“Mermaid”) wishes to announce that its subsidiary, MTR-3 (Singapore) Pte. Ltd., its newly incorporated subsidiary, MTR-4 (Singapore) Pte. Ltd., and an existing subsidiary company, Mermaid Offshore Services Pte. Ltd., have on this Thursday, 9 January 2014 entered into the following agreements with China Merchants Industry Holdings Co., Ltd. for an aggregate sum of USD 436,000,000 (United States Dollars Four Hundred and Thirty Six Million only). Such transaction hereinafter referred to as the “Transaction”.

- (a) Agreement for the Design, Construction and Completion of a Self-Erected Drilling Tender (Hull No. CMHI (JS)-151-1 and Equipment Set between MTR-3 (Singapore) Pte. Ltd. and China Merchants Industry Holdings Co., Ltd. (“Newbuild Tender Rig-1”);
- (b) Agreement for the Design, Construction and Completion of a Self-Erected Drilling Tender (Hull No. CMHI (JS)-151-2 and Equipment Set between MTR-4 (Singapore) Pte. Ltd. and China Merchants Industry Holdings Co., Ltd. (“Newbuild Tender Rig-2”) hereinafter collectively referred to as “New Build Tender Rigs”; and
- (c) Agreement for the Design, Construction and Completion of a Multi-Purpose Subsea Dive Support & Construction Vessel (Hull No. CMHI (JS)-152-1) and Equipment Set between Mermaid Offshore Services Pte. Ltd. and China Merchants Industry Holdings Co., Ltd. (“Newbuild DSV”).

There are no material conditions attaching to the Transaction.

2. Information and Rationale for the Newbuild Tender Rigs and Newbuild DSV and benefits expected

The expected date of delivery of the Newbuild Tender Rig-1 and Newbuild Tender Rig-2 and the equipment set shall be in the first (1st) and second (2nd) quarter of 2016 respectively while the delivery of Newbuild DSV shall be in the third (3rd) quarter of 2016.



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

The purchase is undertaken as part of Mermaid's commitment to expand the size of the rigs and vessels in order to enhance its offshore oil and gas support services in the ordinary course of business and capabilities as well as to achieve greater economies of scale. The Newbuild Tender Rigs and Newbuild DSV will also enhance Mermaid's market position in terms of the modernization of its fleet. Mermaid currently owns two (2) tender rigs and seven (7) owned and two (2) chartered sub-sea support vessels.

3. Consideration

The Consideration of each Newbuild Tender Rig unit is USD 149,000,000 (United States Dollars One Hundred and Forty Nine Million only) comprises of USD 141,900,000 (United States Dollars One Hundred Forty One Million and Nine Hundred Thousand only) for the rig and USD 7,100,000 (United States Dollars Seven Million and One Hundred Thousand only) for the rig equipment spares.

The Consideration of the Newbuild DSV is USD 138,000,000 (United States Dollars One Hundred and Thirty Eight Million only) comprises of USD 131,400,000 (United States Dollars One Hundred Thirty One Million and Four Hundred Thousand only) for the vessel price and USD 6,600,000 (United States Dollars Six Million and Six Hundred Thousand only) for the vessel equipment spares.

The Consideration was arrived based on a competitive bidding process with several shipyards and negotiations on a willing-buyer willing-seller basis with regard to current market conditions. It will be paid in cash in stages as set forth below:

Installment	Each Newbuild Tender Rig
1	USD 14,900,000 (United States Dollars Fourteen Million and Nine Hundred Thousand) on execution of the contract
2	USD 7,100,000 (United States Dollars Seven Million and One Hundred Thousand) within 30 days of the execution of the contract
3	USD 127,000,000 (United States Dollars One Hundred and Twenty Seven Million) on the Delivery Date

Installment	Newbuild DSV
1	USD 13,800,000 (United States Dollars Thirteen Million and Eight Hundred Thousand) on execution of the contract
2	USD 6,600,000 (United States Dollars Six Million and Six Hundred Thousand) within 30 days of the execution of the contract
3	USD 117,600,000 (United States Dollars One Hundred Seventeen Million and Six Hundred Thousand) on the Delivery Date



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.
Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

Mermaid intends to fund its portion of the Consideration through proceeds raised from Mermaid's recent rights issue and private placement as completed on 3 October 2013.

4. Details of Mermaid's Subsidiaries

MTR-3 (Singapore) Pte. Ltd. ("MTR-3") and MTR-4 (Singapore) Pte. Ltd. ("MTR-4")

Mermaid Drilling (Singapore) Pte. Ltd., a wholly owned subsidiary of Mermaid, has on 30 July 2008 incorporated MTR-3 as a wholly owned subsidiary in Singapore with an issued share capital of USD 100 (United States Dollar One Hundred) comprising 100 shares of USD 1 (United States Dollar One) each. The share capital of MTR-3 will subsequently increase over time as installment payments are made through capital contributions by its shareholders. MTR-4, a wholly owned subsidiary of Mermaid, was incorporated on 8 January 2014 with an issued share capital of SGD 100 (Singapore Dollars One Hundred) comprising 100 shares of SGD 1 (Singapore Dollar One) each. The principal activity of MTR-4 is to engage in drilling and drilling related services in the offshore oil and gas industry. The share capital of MTR-4 will subsequently increase over time as installment payments are made through capital contributions by its shareholders.

Mermaid Offshore Services Pte. Ltd. ("MOS")

MOS was incorporated on 28 March 2011 in Singapore. It is a wholly owned by Mermaid Offshore Services Co., Ltd. (Thailand), a subsidiary of Mermaid with an existing registered capital of USD 100 (United States Dollars One Hundred). The principle activity of MOS is to engage in engineering subsea services. The share capital of MOS will subsequently increase over time as installment payments are made through capital contributions by its shareholders.

5. Details of China Merchants Industry Holdings Co., Ltd. ("China Merchants")

China Merchants was incorporated in Hong Kong in November 1997 and is a holding company of China Merchants Heavy Industry (Jiangsu) Company Limited. China Merchants owns one of the largest shipyards in China which has excellent facilities and engineering capacities. It has successfully constructed and delivered many marine and offshore new-building and conversion projects.

6. Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

The relative figures as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

(a) Net Asset Value Test (Rule 1006(a))

The net asset value test is not applicable to the Transaction.

(b) Net Profits Test (Rule 1006(b))

There are no net profits attributable to the Newbuild Tender Rigs and Newbuild DSV because they have yet to be constructed.

(c) Market Capitalization Test (Rule 1006(c))

The aggregate Consideration being USD 436,000,000 (United States Dollars Four Hundred and Thirty Six Million) is equivalent to approximately 72.21% of Mermaid's capitalization of approximately USD 603,727,040 (United States Dollars Six Hundred Three Million Seven Hundred Twenty Seven and Forty) (based on the exchange rate of USD 1.00 = SGD 1.2569). The market capitalization is computed based on the weighted average price of Mermaid's shares transacted on 9 January 2014 (SGD 0.537), multiplied by the number of shares in issue (1,413,081,038 shares).

(d) Equity Securities Test (Rule 1006(d))

The equity securities test is not applicable to the Transaction as no equity securities are being issued as consideration for the Transaction.

Notwithstanding the relative figure computed under Rule 1006(c) exceeds 20% and classified as a major transaction under Rule 1014, the Transaction is being made in the ordinary course of business of Mermaid.

7. Financial Effects

For illustrative purposes only, the financial effects based on the latest audited consolidated financial statements for the Mermaid Group for the year ended September 2013 ("FY2013") are as follows:

- (a) Assuming that the Transaction had been effected at the end of FY 2013, the pro forma effects on the consolidated net tangible assets ("NTA") of Mermaid for FY2013 are as follows:

	Before Transaction	After Transaction
NTA (USD'000) [a]	506,346	680,746 [b]
NTA per share (USD) [c]	0.36	0.48
NTA per share (SGD) [d]	0.45	0.61



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

26/28-29, 9th Floor Orakarn Bldg., Soi Chidlom, Ploenchit Road,
Lumpinee, Pathumwan, Bangkok 10330, Thailand.

Tel.: +66 (0) 2-255-3115~6; Fax: +66 (0) 2-255-1079

Notes:

[a] NTA is calculated based on Thai Financial Reporting Standards (TFRS) and for the purpose of this illustration is total assets minus total liabilities, intangible assets and goodwill.

[b] based on assumption of debt to equity financing 60/40.

[c] based on 1,413,081,038 issued and paid-up ordinary shares of the Company.

[d] based on an exchange rate of USD 1.00 = SGD 1.2569

(b) Assuming that the Transaction had been effected at the beginning of FY 2013, there will be no impact on Mermaid's earnings per share for FY 2013.

8. Interest of Directors and Controlling Shareholders

None of the directors or controlling shareholders of Mermaid has any interest, direct or indirect, in the Transaction. There are also no new directors proposed to be appointed to Mermaid in connection with the Transaction.

9. Documents for Inspection

A copy of the said contracts may be inspected at the registered office of Mermaid at 26/28-29, Orakarn Building 9th Floor, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330, Thailand during normal business hours from 8.30 am to 5.30 pm for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Ms. Phimolwan Phromchanya
Senior Manager, Legal & Corporate Affairs
9 January 2014