1Q 2018
RESULT PRESENTATION

16 May 2018

www.mermaid-group.com

AGENDA

- Business Report
- Financial Review
- Business Outlook

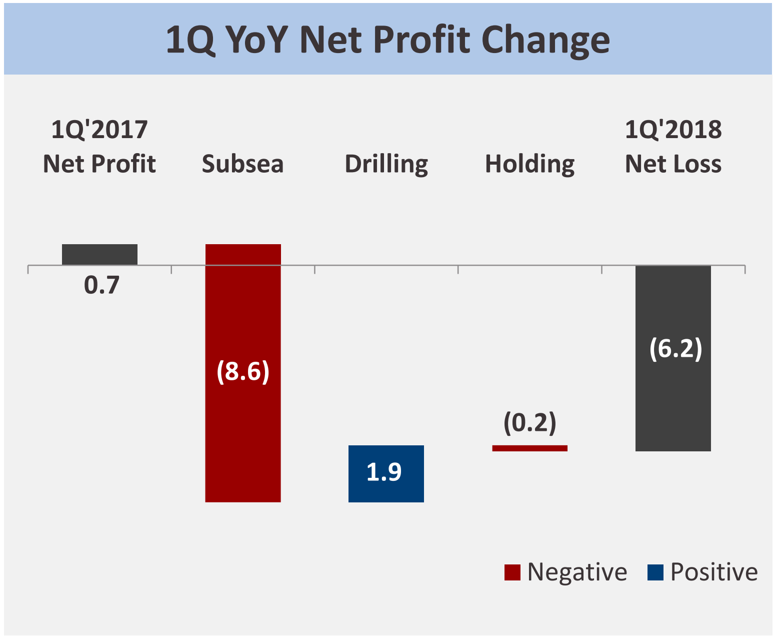
BUSINESS REPORT

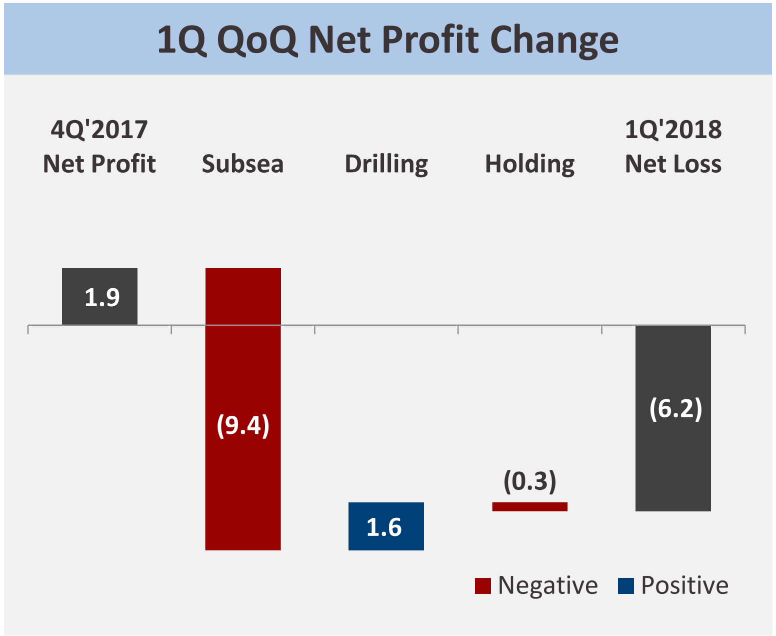
1Q 2018 HIGHLIGHTS

- Order book (excl. AOD) stood at USD 173m at the end of March 2018, increased 15% YoY and 17% QoQ.
- Revenue decreased 46.2% QoQ as a result of lower utilization for major vessels in this quarter (Dry docking period for MED and MCD).
- Recorded Q1 net loss USD 6.2m due to lower fleet utilization.
- Robust positive cash flow from operation generated USD 15.1m in 1Q 2018.
- MTR-1 and MTR-2 are reclassified to assets held for sale and expected to deliver to Buyer in Q2 2018.
- Maintained a good fiscal discipline by retain a low gearing and balance sheet remained in a healthy position.

Movement in Key Business Segment

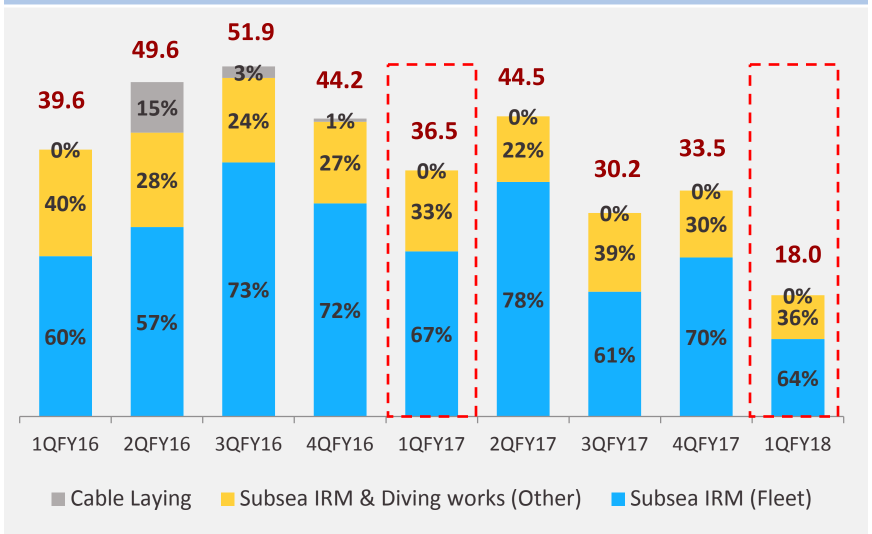
- Lower utilization for key major vessels resulted in Net Loss in 1Q 2018.
- Two tender rigs were reclassified to assets held for sale in Q1 2018 and expected to deliver to buyer in 2Q 2018.



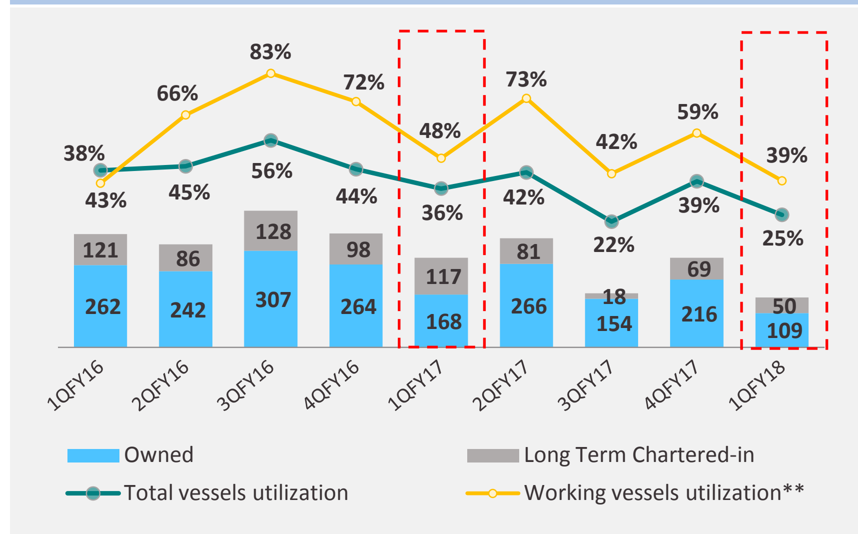


LOWER VESSEL UTILIZATION

Subsea Revenue



Vessel Working Days & Utilization*



* Total Working Days / Total Available Days

**4 main owned vessels (excluding chartered-in vessels)

1Q'18 vessel utilization decreased to 25%, compare to 39% of the last quarter, 36% of the same period last year.

- The drop YoY and QoQ was a result of both Owned and Chartered-in vessels utilization decreasing.
- The 4 major vessels had average utilization of 39% lower than the last year of 48% and the last quarter of 59% which is a result of Dry Docking period for Mermaid Endurer and Mermaid Commander.

VESSEL RUNNING COSTS

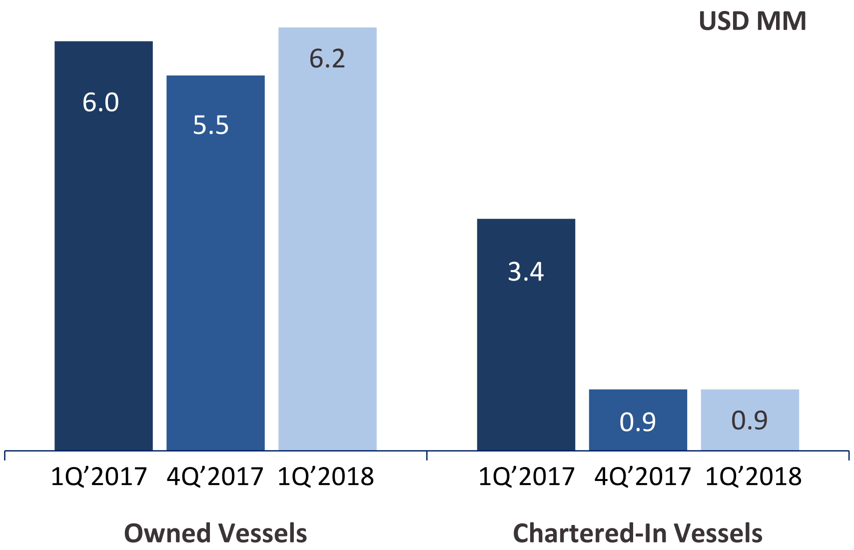
VRC Increased QoQ and YoY

Owned Vessels

- Vessel running costs increased both QoQ and YoY mainly due to:
  - Vessel repair and maintenance costs
  - Vessel bunker consumption costs
  - Port fee
- Re-location vessel for Mermaid Sapphire to support project in Middle East

Chartered-In Vessels

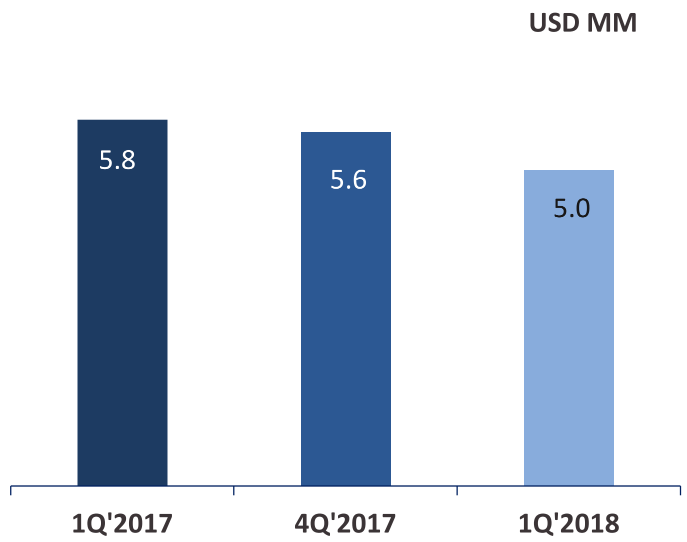
- Two vessels, the 'Resolution' and 'Nusantara', remain on hire vessel in Q1'17
- 'Nusantara' was returned to Owner during Q3'17
- One vessel 'Resolution' remained after Q3'17



SELLING & ADMINISTRATIVE EXPENSES

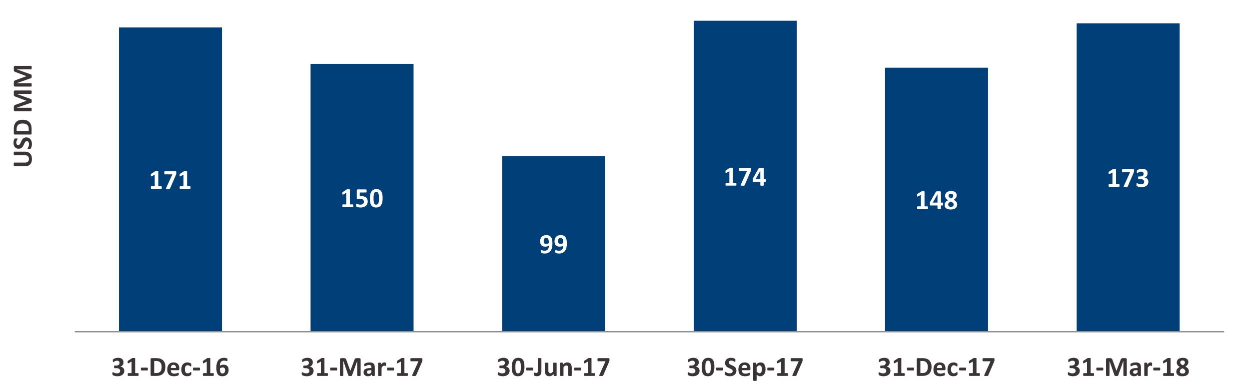
SG&A Expenses Decreased

- Saving was mainly driven by staff and employee related expenses and other expenses.
- Stacked cost from selling MTR-1 and MTR-2 around 700K per annum is expected to be a saving from Q2 2018 onward.

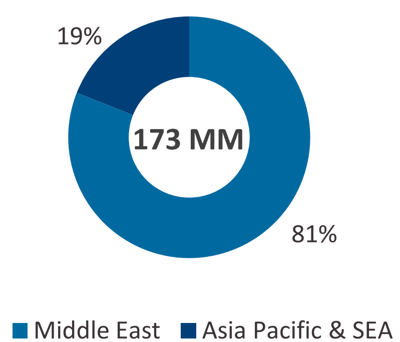


ORDER BOOK

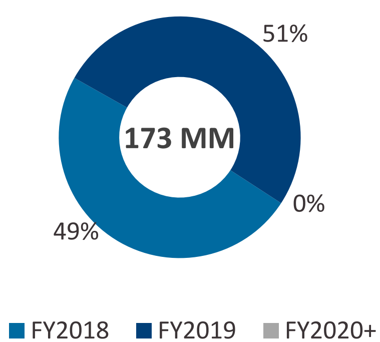
Total Order Book (excluding AOD)



Order Book by Region



Order Book by Year



AOD's Loan have been Restructured

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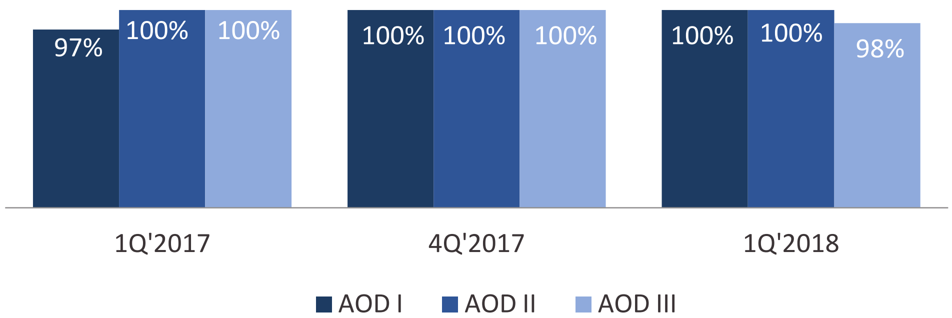
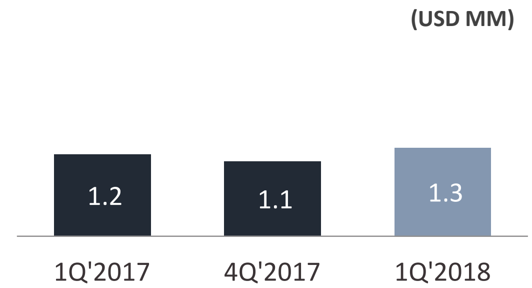
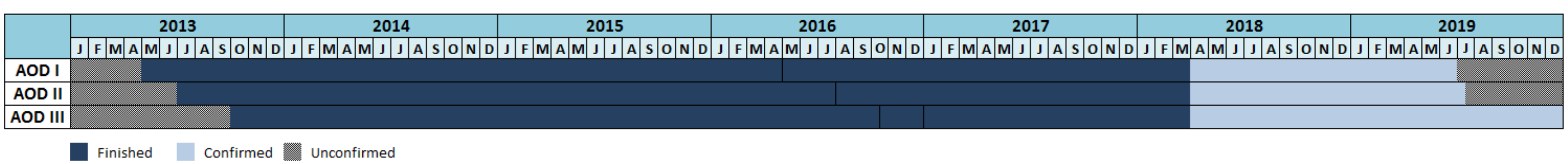
AOD Rigs Utilisation



Share of Profit of Associates



- In 1Q'2018, 98% - 100% average utilisation for 3 rigs.
- No Rate reduction in 2017 and share of profit is consistent for both YoY and QoQ view.
- The outstanding balance of Senior Secured Credit Facility as at 31 March 2018 around US$ 210 million.
- AOD and its subsidiaries have agreed to become a party to the Seadrill restructuring package and, as a result of this joinder, have, among other things, reached agreement with the bank lenders to:
  - (a) Extend the maturities of the AOD Credit Facility by approximately five years (on average).
  - (b) Eliminate amortization obligations until 31 December 2019.
  - (c) Provide a three and a half year covenant holiday.
  - (d) More flexible financial covenants, including deferring financial covenant testing until 2021 with the exception of the minimum liquidity covenant, which will apply from completion of the restructuring onwards.



Financial Review

1Q 2018 Profit & Loss

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(USD MM)	1Q 2018	1Q 2017	Change
Revenue from Rendering of Services	**18.0**	**36.5**	**-50.7%**
EBITDA	**(2.2)**	**5.8**	**-137.9%**
EBIT	**(6.5)**	**0.5**	**-1,400.0%**
Share of Profit of Associates & Joint Venture	1.3	1.2	8.3%
Profit (Loss) From Operations	**(5.2)**	**1.7**	**-405.9%**
Finance Costs	(0.9)	(0.9)	-
Profit (Loss) Before Income Tax Expense	**(6.1)**	**0.8**	**-862.5%**
Tax Expense	(0.1)	(0.1)	-
Profit (Loss) for the Period	**(6.2)**	**0.7**	**-985.7%**
Earnings (Losses) Per Share (US cents)	(0.4)	0.1	-500.0%

POSITIVE CASH FLOW FROM OPERATION

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Cash Flows (USD MM)	1Q 2018	1Q 2017
Cash Flow From Operating Activities:		
Before Changes in Working Capital	(4.0)	5.1
Changes in Working Capital	19.1	4.4
Others	-	(0.9)
	15.1	**8.6**
Cash Flow From Investing Activities:		
Interest Received	0.1	0.2
Acquisition and Disposal of PPE and Intangible Assets	(3.1)	(0.6)
Increase in Advance Payment for Investment	(3.8)	-
	(6.8)	**(0.4)**
Cash Flow From Financing Activities:		
Finance Costs Paid	(0.9)	(0.8)
Repayment of Borrowings	(3.0)	(2.0)
	(3.9)	**(2.8)**
Net increase in cash and cash equivalents	**4.4**	**5.4**
Effect of Exchange Rates	(0.1)	0.5
Beginning Balance	68.7	61.8
Cash Balance* as at 31 December	**73.0**	**67.7**

**Excluding restricted cash*

BALANCE SHEET REMAINED IN A STRONG POSITION

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Balance Sheet (USD MM)	31 March 2018	31 December 2017	Change
Current Assets	128.7	141.8	-9.2%
Non-Current Assets	312.4	309.3	1.0%
Total Assets	**441.1**	**451.1**	**-2.2%**
Current Liabilities	38.0	38.9	-2.3%
Non-Current Liabilities	67.1	70.0	-4.1%
Total Liabilities	**105.1**	**108.9**	**-3.5%**
Total Equity	**336.0**	**342.2**	**-1.8%**

(USD MM)	31 March 2018	31 December 2017	31 December 2016
Interest Bearing Debt			
Asset-backed Financing	76.6	79.6	89.5
Unsecured Loan	-	-	-
Finance lease	0.2	0.2	-
Total Debt	**76.8**	**79.8**	**89.5**
Bank Balances, Deposits & Cash	(86.8)	(81.5)	(97.7)
Total Debt (Net of Cash)	**(10.0)**	**(1.7)**	**(8.2)**
Shareholders' Equity	336.0	342.2	338.3
Net Gearing	**-3.0%**	**-0.5%**	**-2.4%**

(USD MM)	31 March 2018	31 December 2017	Change
Property, Plant and Equipment	179.8	182.9	-1.7%
Bank Balances, Deposits & Cash	86.8	81.5	6.5%
Total Borrowings	76.6	79.6	-3.8%

Financial Ratio:

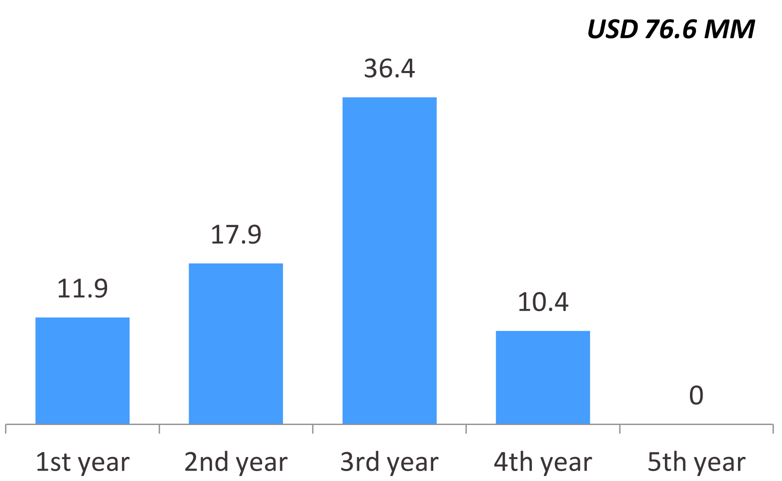
- Current Ratio = 3.39x
- Liabilities to Equity Ratio = 0.31x
- Net Debt to Equity Ratio = 0.23x
- Net Gearing = -3.0% *(Net positive cash balance)*
- DSCR = 1.01x

Debt Maturity Profile

Interest-Bearing Debt Maturity
USD 76.6 MM
(31 March 2018)

- As at 31 March 2018, there is USD **76.6M** of long-term loan and no short-term loan.
- The majority of debt maturity profile is 3rd year onward.
- Liquidity risk is still low with high financial flexibility.

Asset-Backed Debt



BUSINESS OUTLOOK

BUSINESS OUTLOOK

1. In May of 2018, price of Brent crude so far this month is $74.05 per barrel, while the price was $72.01 dollars per barrel in April of 2018. Over last twelve months the price has risen 47.13%. Positive outlook for 2018 continues albeit all eyes on OPEC for continued discipline.

2. Although the market environment remains challenging, Mermaid are seeing a gradual recovery in tendering activity and still expect the number of awards to the market to increase in 2018 especially in the Middle East.

3. Offshore project sanctioning picking up but pressure on vessel prices remains. Oversupply of vessels in the market continues to suppress day rates with modest growth expected through 2018. Offshore / subsea vessel companies are still expected to struggle financially.

4. The Mermaid Sapphire and Endurer continue to operate in Saudi Arabia and will remain in the Middle East for the foreseeable future as we expect to achieve higher utilization rates in the region for 2018.

5. Utilization of key owned assets, remains a high priority. Cost cutting and consolidation continues in an effort to maintain a cost base low enough for Mermaid to win work in these challenging times.

Business Outlook

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6	All three jack-up drilling rigs 'AOD I', 'AOD II' and 'AOD III' remain on contract in the Middle East until 2019 thus reducing downside risk as market recovers. AOD loan refinancing continues in progress.
7	Mermaid Challenger, Siam and Barakuda remain cold stacked to reduce cost and are marketed for sale. 'MTR-1' and 'MTR-2' have found a buyer; these two assets are expected to be delivered during Q2 2018.
8	Mermaid continues to preserve cash where possible, and to reduce CAPEX spending to the essentials. Mermaid continues to explore options to purchase distressed assets where appropriate, in preference to subcontracting in equipment & personnel.
9	Mermaid continues to leverage on its reputation and stability to access additional geographical markets and services across regions with increased business development activities in Egypt which requires extensive subsea infrastructure. Additionally, Mozambique (East Africa) is a targeted country for Mermaid's subsea installation growth.

MERMAID'S POSITIONING

Wider geographical coverage

- Shallow water – more defensive and less affected by lower oil price. Several conventional projects will be carried-out in Mermaid's home markets in 2018;
- Mermaid expansion geographically into other markets such as North Sea, East Africa, Malaysia continues;

IRM focused, with an addition of Integrated service packages

- Remain focused on IRM scopes, further enhancement internally with fully fledged in-house engineering suite of services;
- Offer an integrated range of subsea services with a revamped highly specialized workforce leading the company into a new era of subsea Installation engineering;

Track record of quality and safety, modern asset base

- Excellent operational and safety record and stable management team;
- Robust subsea fleet with chartering-in plan to serve fluctuating demand;
- AOD's three jack-up drilling rigs contract extended to 2019 in the Middle East;

Fiscal Discipline

- Retain low gearing and sufficient cash reserve;
- Flexibility to take advantage of any opportunistic and organic growth that may present itself in the present time;

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A Company Moving Forward

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