



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'S NEWBUILD SUBSEA VESSEL UNDER CONSTRUCTION CANCELLED BY MUTUAL AGREEMENT

All pre-paid installments and associated costs were part of asset-impairment in 2015 Financial Statements. No further payment obligations are due to Builder. Mermaid also recovered USD 1 million as compensation for termination and release.

Mermaid Maritime Public Company Limited ("Mermaid" or the "Company") refers to its SGXNet announcement on 9 January 2014 regarding, among other things, the entry by its subsidiary Mermaid Offshore Services Pte. Ltd. (the "Owner") into a construction contract (the "Construction Contract") for one (1) DP2 dive support and construction vessel 'Mermaid Ausana' (the "Vessel") with China Merchants Industry Holdings Co. Ltd. (the "Builder"). Mermaid also refers to its SGXNet announcement on 27 May 2016 regarding, among other things, the postponement of the delivery date of the Vessel to 30 June 2017.

In light of the challenging global oil and gas market situation and the co-operative relationship between Company and the Builder, the parties have mutually entered into a settlement agreement to terminate the Construction Contract for the Vessel effective 6 December 2016 ("Settlement").

Terms of Settlement

The Owner had already paid the total pre-paid installment of United States Dollars Twenty Million and Four Hundred Thousand (US\$ 20,400,000.00) under the Construction Contract (the "Pre-Paid Sum").

United States Dollars One Hundred Twenty Four Million and Eight Hundred Thousand (US\$ 124,800,000.00), which is the balance of the contract price plus the cost of any variations, would have been due to the Builder upon delivery of the Vessel pursuant to the Construction Contract ("Balance Payment").

As a result of the Settlement, the Pre-Paid Sum has been retained by the Builder; the Vessel and all the materials and equipment forming part of the Vessel or intended to be incorporated into it has become the sole property of the Builder and at the sole disposal of the Builder for sale or otherwise; and the Construction Contract has been terminated and all obligations (including the obligation by the Owner to pay the Balance Payment), rights, duties and liabilities of each of the parties hereto to the other under the Construction Contract and under any applicable laws have been completely discharged and released.



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In a move to mitigate financial exposure, the Company had already recorded an asset impairment on the entire Pre-Paid Sum and associated costs related to the Vessel in its 2015 Financial Statements.

The Settlement also ensures that the Owner shall have no obligation to pay the Balance Payment. Furthermore, the Owner has also received from the Builder the consideration of United States Dollars One Million (US\$ 1,000,000) for expenses incurred by the Owner in relation to the Construction Contract and the Settlement.

Interest of Directors and Controlling Shareholders

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

Please be informed accordingly.

Mr. Vincent Siaw
Chief Operating Officer
7 December 2016