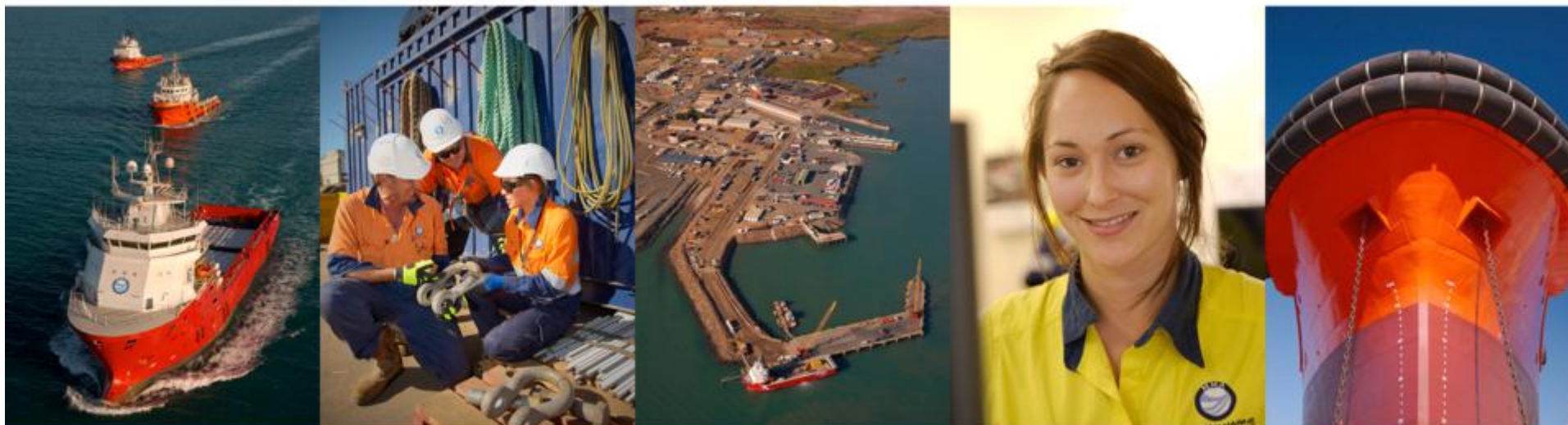


# MERMAID MARINE AUSTRALIA LTD

## Half Year Results – 31 December 2013

### Investor Presentation



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# Highlights



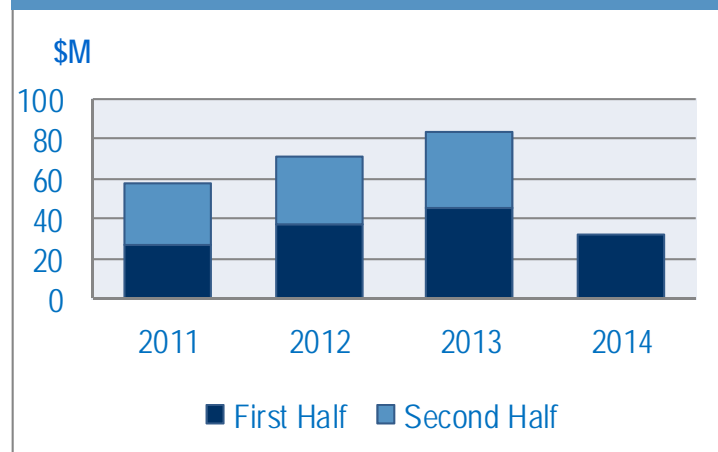
## Financial

- First half performance in line with market guidance
- Revenue \$253.5 million,  $\uparrow$ 14.2% pcp
- Pre-tax profit \$32.3 million,  $\downarrow$  29.3% pcp
- Net profit after tax \$24.2 million,  $\downarrow$  25.5% pcp
- Earnings per share of 10.5c,  $\downarrow$  28.1% pcp
- Interim dividend 5.5c per share, in line with pcp
- Operating cash flow \$44.0 million,  $\uparrow$ 104.3% pcp
- Cash at bank \$64.2 million

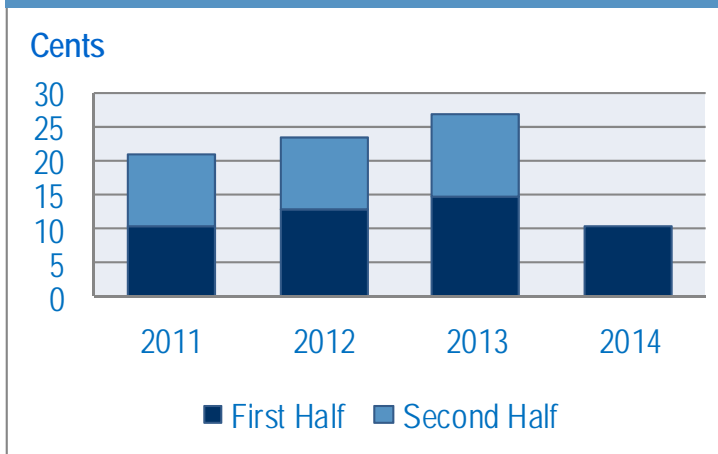
## Operating

- Secured major new contracts – Subsea 7 contract \$100m+; Woodside PSV Drilling Support; Gorgon Super Barge
- LOI received – 2 x PSVs (detailed design)
- Stronger demand for services in second half
- Announced key strategic acquisition of Jaya business launching MMA into key international markets

## Profit before Tax



## Earnings per Share



# Key Performance Ratios



**Margins impacted by chartered vessel fleet, mobilisations, lower MMA fleet utilisation and lower wharf utilisation**

	Variance PCP	6 Months Ended 31 Dec 2013	6 Months Ended 30 June 2013	6 Months Ended 31 Dec 2012
Revenue	↑ 14.2%	\$253.5M	\$227.5M	\$222.0M
EBITDA	↓ 9.9%	\$57.6M	\$65.9M	\$63.9M
EBITDA / Revenue <sup>1</sup>	↓ 6.1%	22.7%	29.0%	28.8%
EBIT	↓ 27.7%	\$36.0M	\$42.4M	\$49.8M
EBIT / Revenue <sup>1</sup>	↓ 8.2%	14.2%	18.6%	22.4%
Profit before Tax	↓ 29.3%	\$32.3M	\$38.1M	\$45.7M
NPAT	↓ 25.5%	\$24.2M	\$27.8M	\$32.5M
NTA per share	↑ 17.8%	\$1.72	\$1.66	\$1.46
Earnings per Share	↓ 28.1%	10.5c	12.3c	14.6c
Return on Assets <sup>2</sup>	↓ 7.4%	10.3%	13.7%	17.7%
Return on Equity <sup>2</sup>	↓ 7.7%	11.7%	14.8%	19.4%

<sup>1</sup> Excluding share of joint venture profits

<sup>2</sup> Annualised



# Key Liquidity Ratios



	6 Months Ended 31 Dec 2013	6 Months Ended 30 June 2013	6 Months Ended 31 Dec 2012
Gearing % (Net Debt / Equity)	32.2%	30.0%	31.1%
Interest Cover (EBIT / Interest Expense)	7.9x	8.7x	10.4x
Current Ratio (Current Assets / Current Liabilities)	1.7x	1.8x	2.2x
Operating free cash flow	\$44.0M	\$49.3M	\$21.5M
Interest Bearing Liabilities	\$199.9M	\$179.6M	\$145.7M
Capital Expenditure	\$51.1M	\$75.7M	\$19.9M
Cash at Bank	\$64.2M	\$58.8M	\$37.4M



# Vessel Operations

## Review of Operations:

- Lower fleet utilisation driven by delays in commencement of contract work (Avg utilisation 76%)
- Margins impacted by utilisation, mobilisations and increased number of chartered vessels
- LOI received - 2 PSVs (detailed design)
- \$100m+ Subsea 7 contract commenced 3Q FY14
- New state of the art PSV - Mermaid Leeuwin – completed Dec-13; Awarded 18 month + options drilling support contract with Woodside (commencing Feb-14)
- Second Gorgon Super Barge (Miss Mary) commenced contract late October - start-up cost higher than expected
- Continuing to develop international presence with vessels operating throughout SEA; incorporated new Malaysian subsidiary

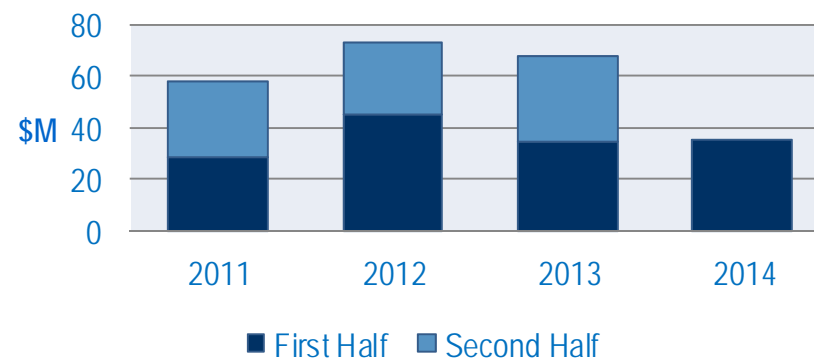
## Outlook:

- Second half performance expected to be stronger with project activity increasing

## Vessel Financials

	Variance PCP	6 Months Ended 31 Dec 13	6 Months Ended 30 Jun 13	6 Months Ended 31 Dec 12
Revenue	↑ 24.4%	\$176.8M	\$141.6M	\$142.1M
EBITDA	↑ 2.6%	\$35.2M	\$33.9M	\$34.3M
EBITDA / Rev	↓ 4.2%	19.9%	23.9%	24.1%
EBIT	↓ 13.4%	\$20.7M	\$20.5M	\$23.9M
EBIT / Rev	↓ 5.1%	11.7%	14.5%	16.8%
ROA	↓ 4.8%	10.2%	11.4%	15.0%

## Vessel Earnings (EBITDA)





# New PSV – Mermaid Leeuwin



**Mermaid Leeuwin**  
82m STX 05 CD design  
DP2, diesel electric  
Platform Supply Vessel

*Delivered from ASL  
Shipyards, Singapore 18  
Dec 2013, contracted to  
Woodside for 18 months  
firm*



# Supply Base Operations

## Review of Operations:

- EBIT down 31.4% on pcp driven by lower activity on the main wharf combined with increased fixed costs associated with rosters
- Main wharf utilisation impacted by lower drilling activity during the first half – vessel visits down impacting operating margins
- Other dedicated Supply Base areas continue to perform in line with expectations: MLB upgrades have improved returns; BMF operation continues to contribute to earnings
- Gorgon – Cargo volumes reducing as project transitions from construction to long term production support (Sublease - 5 yr extension option recently exercised)

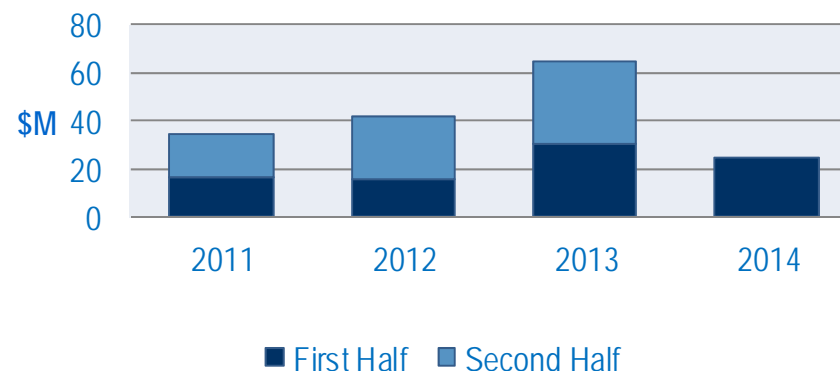
## Outlook:

- Wharf activity improved in Dec and is expected to be stronger in 2H with drilling activity increasing
- BMF to continue through 2H
- Ongoing support for offshore construction activity

## Dampier Supply Base Financials

	Variance PCP	6 Months Ended 31 Dec 13	6 Months Ended 30 Jun 13	6 Months Ended 31 Dec 12
Revenue	↓ 0.3%	\$71.2M	\$78.9M	\$71.4M
EBITDA	↓ 17.5%	\$25.0M	\$34.1M	\$30.3M
EBITDA / Rev	↓ 7.3%	35.1%	43.2%	42.4%
EBIT	↓ 31.4%	\$18.8M	\$24.9M	\$27.4M
EBIT / Rev	↓ 12.0%	26.4%	31.6%	38.4%
ROA	↓ 11.5%	20.9%	27.6%	32.4%

## Dampier Supply Base Earnings (EBITDA)





# Dampier Supply Base Facilities



We live our values: People – Customers – Team

A PERFECT DAY EVERY DAY





MERMAID MARINE  
AUSTRALIA LTD

# Broome Supply Base JV

## *Review of Operations:*

- MMA 50% Share of NPAT for the half year - \$1.8m (\$2.0m 1H FY2013)
- Solid first half supporting drilling campaigns for Conoco Phillips, Shell and Total
- Completed supply base infrastructure development for INPEX and commenced receiving equipment on site
- Completed development of casing yard and additional undercover storage sheds in preparation for upcoming work programs



## *Outlook:*

- Activity to increase during the second half with additional drilling campaigns scheduled
- Continue to receive equipment on site for INPEX's Ichthys Project



# Dampier Slipway Operations

## Review of Operations:

- Slipway performing in line with expectations
- 27 vessels docked during the period

## Outlook:

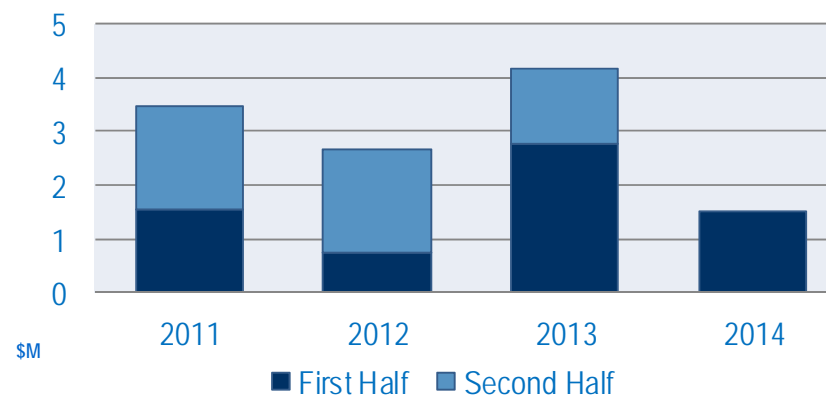
- Solid forward bookings for second half



## Slipway Financials

	Variance PCP	6 Months Ended 31 Dec 13	6 Months Ended 30 Jun 13	6 Months Ended 31 Dec 12
Revenue	↓ 12.7%	\$11.7M	\$11.5M	\$13.4M
EBITDA	↓ 46.4%	\$1.5M	\$1.4M	\$2.8M
EBITDA / Rev	↓ 8.1%	12.8%	12.2%	20.9%
EBIT	↓ 54.2%	\$1.1M	\$1.1M	\$2.4M
EBIT / Rev	↓ 8.5%	9.4%	9.6%	17.9%
ROA	↓ 18.6%	14.2%	13.1%	32.8%

## Slipway Earnings (EBITDA)





# Market Outlook



## A number of significant Australian LNG projects still to be constructed in the next three years

### ▪ Construction Support

- Gorgon (\$52b) - construction to continue through FY14 and into FY15 – downstream cargo volumes decreasing but major upstream scopes underway
- Wheatstone (\$29b) – nearshore works underway, MMA tendered for various offshore scopes; Pipelay soon to commence, supported by Mermaid Inscription
- Ichthys (\$32b) – Tendered major offshore subcontracts (yet to be awarded); 900km pipelay
- Prelude FLNG (\$12b est.) – Prequalified for offshore scope (yet to be tendered); large mooring installation; unsuccessful in infield support vessels tender

### ▪ Production Support

- Ongoing support of FPSO operations – secured long term contracts
- Letter of Intent (LOI) received to commence detailed design for 2 PSVs – potential to lead to award of long-term material contract (subject to client internal approval process)

### ▪ Exploration / Seismic

- Chevron, Woodside, BHPB, Apache, Santos, Total, Eni, ExxonMobil, Conoco Phillips conducting drilling programs
- Ongoing seismic support internationally

### ▪ Risks / Challenges

- Transition business to increase exposure to production support contracts and take advantage of new project construction activity in Australia and internationally
- Negotiation of new marine EBAs



# Summary



- ❑ First half performance impacted by lower vessel and wharf utilisation due to delays to project commencement and lower drilling activity
- ❑ PSV Strategy delivering results: New PSV - Mermaid Leeuwin delivered Dec 2013, LOI – 2 PSVs
- ❑ Secured significant new contracts during 1H including Subsea 7 (\$100m+), Woodside PSV Drilling Support (will contribute to 2H earnings)
- ❑ Dampier Supply Base – secured 5 year extension to Chevron sublease
- ❑ Broome Supply Base outlook positive with activity set to remain strong in the region over the medium term
- ❑ Slipway continuing to perform well
- ❑ International market expansion through Jaya transaction
- ❑ Gorgon related construction activity tapering, however a number of significant Australian LNG projects are still to be constructed over the next 3 years
- ❑ Second half expected to be stronger and expect FY2014 NPAT (excluding impact of Jaya acquisition) to be in line with last financial year, consistent with previous guidance.





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# Vessel Listing



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
MERMAID	LEEWIN	SINGAPORE	PSV	2013	-	82	6434	28
MERMAID	LEVEQUE	SINGAPORE	PSV	2007	-	75	6920	40
MERMAID	INSCRIPTION	SINGAPORE	PSV	2012	-	87	6500	48
MERMAID	VIGILANCE	SINGAPORE	PSV	2009	-	70	4338	50
MERMAID	DISCOVERY	SINGAPORE	AHTS	2007	65	57	5500	42
MERMAID	VANQUISH	SINGAPORE	AHTS	2006	64	59	5150	42
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	67	59	5150	42
MERMAID	VISION	SINGAPORE	AHTS	2009	105	68	8000	32
MERMAID	VOYAGER	AUSTRALIA	AHTS	2009	67	59	5150	42
MERMAID	CARVER	AUSTRALIA	AHT, AZIMUTH, OSV	2001	44	32	3300	14
MERMAID	COVE	AUSTRALIA	AHT, AZIMUTH, OSV	2013	70	52	5400	22
MERMAID	ENDEAVOUR	AUSTRALIA	AHT, AZIMUTH, OSV	1995	48	35	4000	12
MERMAID	SOUND	AUSTRALIA	AHT, AZIMUTH, OSV	2007	70	50	5400	22
MERMAID	STORM	AUSTRALIA	AHT, AZIMUTH, OSV	1994	48	34	4000	18
MERMAID	STRAIT	AUSTRALIA	AHT, AZIMUTH, OSV	2012	70	52	5400	22
MERMAID	GUARDIAN	AUSTRALIA	AHT, AZIMUTH, OSV	2005	50	40	4000	18
MERMAID	PROVIDER	AUSTRALIA	AHT, AZIMUTH, OSV	1999	54	45	4000	12
MERMAID	SENTINEL	AUSTRALIA	AHT, OSV	2006	50	40	4000	20



# Vessel Listing (continued)

Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
MERMAID	SUPPORTER	AUSTRALIA	AHT, OSV	2001	65	48	4800	24
MERMAID	RANGER	SINGAPORE	AHT, OSV	2007	50	40	4000	20
MERMAID	RELIANCE	SINGAPORE	AHT, OSV	2010	69	50	5150	36
MERMAID	RESOLUTION	SINGAPORE	AHT, OSV	2010	70	50	5150	36
MERMAID	INVESTIGATOR	AUSTRALIA	MULTI PURPOSE	2006	30	54	3620	42
MERMAID	SEARCHER	AUSTRALIA	MULTI PURPOSE	2008	34	54	3200	36
MERMAID	ACHIEVER	TUVALU	MULTI PURPOSE	1982	-	40	1620	34
MERMAID	SPIRIT	AUSTRALIA	UTILITY	1998	-	30	1100	32
MERMAID	ARROW	AUSTRALIA	UTILITY	2009*	-	20	1080	5
MERMAID	RESOURCE	AUSTRALIA	UTILITY	1996	-	27	2600	6
MERMAID	CHIEFTAN	AUSTRALIA	HARBOUR TUG	1969	20	20	1280	5
MERMAID	COMMANDO	AUSTRALIA	HARBOUR TUG	1981	13	20	2078	-
MERMAID	TITAN	AUSTRALIA	HARBOUR TUG	1983	10	14	700	3
MERMAID	CONSTRUCTOR	AUSTRALIA	BARGE	2003	-	76	-	-
MERMAID	REGENT	AUSTRALIA	BARGE	2010	-	76	-	-
MERMAID	ESPERANCE	SINGAPORE	BARGE	2010	-	76	-	-



# Vessel Listing – Chartered Vessels

Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
AMT	CRUSADER	UK	CARGO BARGE	2009	-	122	-	-
BHAGWAN	RENEGADE	NETHERLANDS	MULTICAT	2010	45	31	4000	5
BIBBY	RENAISSANCE	BARBADOS	ACCOMMODATION BARGE	1991	-	-	-	660
BRITOIL	121	SINGAPORE	AHT	2011	160	59	12240	48
BRITOIL	81	SINGAPORE	AHT	2009	110	56	8160	48
DANA	CRUZ	USA	SHALLOW DRAFT TUG	2010	14	28	1800	6
EASTERN	CONSTELLATION	SINGAPORE	BARGE	2012	-	100	-	-
EASTERN	COMET	SINGAPORE	BARGE	2011	-	100	-	-
EOS	4001	SINGAPORE	BARGE	2013	-	122	-	-
EOS	4002	SINGAPORE	BARGE	2013	-	122	-	-
JMC	3010	SINGAPORE	BARGE	2012	-	92	-	-
MISS	HANNAH	USA	CARGO BARGE	2012	-	122	-	-
MISS	MARY	PANAMA	CARGO BARGE	2013	-	122	-	-
SEALINK	PACIFIC 287	MALAYSIA	BARGE	2004	-	82	-	-
LANPAN	CB6	SINGAPORE	BARGE	2013	-	110	-	-
LANPAN	CB5	SINGAPORE	BARGE	2013	-	110	-	-
MICLYN	3301	SINGAPORE	BARGE	2013	-	100	-	-
TERAS	003	SINGAPORE	BARGE	2011	-	122	-	-
PACIFIC	WRESTLER	SINGAPORE	AHTS	2003	133	69	10800	30
PACIFIC	BATTLER	SINGAPORE	AHTS	1997	148	66	12240	25
PACIFIC	BARBARIAN	SINGAPORE	AHTS	1997	148	66	12240	25
PACIFIC	VIPER	MALAYSIA	AHTS	2008	120	66	8810	32
PACIFIC	BANNER	SINGAPORE	AHTS	1998	148	66	12240	25
MICLYN	MAGELLAN 1	MALAYSIA	AHT	2011	103	52	8200	26
MICLYN	MAGELLAN 2	SINGAPORE	AHT	2011	112	52	8200	26
TOLL	SANDFLY	SINGAPORE	LANDING CRAFT	2010	-	54	900	12



# Glossary of Terms



<b>AHT</b>	Anchor Handling Tug	<b>JV</b>	Joint Venture
<b>AHTS</b>	Anchor Handling Tug Supply Vessel	<b>LNG</b>	Liquefied Natural Gas
<b>BHPB</b>	BHP Billiton	<b>LOI</b>	Letter of Intent
<b>BMF</b>	Burrup Materials Facility	<b>MLB</b>	Mermaid Logistics Base
<b>DP</b>	Dynamic Positioning	<b>NPAT</b>	Net Profit after Tax
<b>EBAs</b>	Enterprise Bargaining Agreements	<b>NTA</b>	Net Tangible Assets
<b>EBIT</b>	Earnings before Interest and Tax	<b>NWS</b>	North West Shelf
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortisation	<b>OSV</b>	Offshore Supply Vessel
<b>FPSO</b>	Floating Production, Storage and Offloading	<b>PCP</b>	Previous Corresponding Period
<b>FLNG</b>	Floating Liquefied Natural Gas	<b>PSV</b>	Platform Supply Vessel
<b>FY</b>	Financial Year	<b>ROA</b>	Return on Assets
		<b>SEA</b>	South East Asia







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