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12 February 2010

Subject : The First Quarter 2010 Financial Results
To : The President of the Stock Exchange of Thailand

Performance Summary

Thoresen Thai Agencies Public Company Limited (“TTA” or the “Company”) reports net losses of Baht 65.09 million and losses per share of Baht 0.09 for the three-month period from 1 October 2009 to 31 December 2009 (the “2010 First Quarter” or “1Q FY 2010”). This compares with net profits and earnings per share of Baht 897.13 million and Baht 1.27, respectively for the three-month period that from 1 October 2008 to 31 December 2008 (the “2009 First Quarter” or “1Q FY 2009”).

2010 First Quarter Consolidated Results Review

Total operating revenues were Baht 4,681.72 million, total operating expenses were Baht 4,599.29 million, and thus operating profits were Baht 82.43 million. This represented a 93.12% year-on-year fall from operating profits of Baht 1,198.14 million during the same period last year, and an 87.01% quarter-on-quarter drop for the three-month period that ended on 30 September 2009 (the “2009 Fourth Quarter” or “4Q FY 2009”).

The breakdown of net profit contribution to TTA for the three different business segments follows:

Baht millions	1Q FY 2010	1Q FY 2009	YoY %	4Q FY 2009	QoQ %
Transport	19.92	275.95	-92.78%	204.31	-90.25%
Infrastructure	73.46	-0.97	7,673.20%	12.28	498.21%
Energy	65.99	181.37	-63.62%	67.68	-2.50%
Corporate¹	-224.46	440.78	-150.92%	180.53	-224.33%
Total	-65.09	897.13	-107.26%	464.80	-114.00%

Note: Corporate¹ (TTA, the holding company, and includes inter-company eliminations)

FY 2010 First Quarter Business Group Analysis

The Transport Group includes dry bulk shipping and a number of shipping services companies.

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The dry bulk shipping business recorded a consolidated net loss of Baht 41.39 million this quarter, excluding exchange gains, a decrease from the net profit of Baht 174.17 million for 1Q FY 2009 and an even larger decline from the net profit of Baht 209.71 million for 4Q FY 2009.

The losses registered in 1Q FY 2010 are primarily due to lower TC rates, significantly fewer numbers of owned and chartered-in vessel days, coupled with overall higher owner expense per day.

Summary Fleet Data:

	1Q FY 2010	1Q FY 2009	YoY %	4Q FY 2009	QoQ %
Calendar days for owned fleet ⁽¹⁾	2,918*	3,932	-25.79%	3,249	- 10.19%
Average DWT	27,297	26,401	3.39%	27,185	0.41%
Operating days for owned fleet ⁽²⁾	2,866	3,693	-22.39%	3,139	-8.70%
Owned fleet utilisation ⁽³⁾	98.22%	93.92%	4.57%	96.61%	1.66%
Operating days for chartered-in fleet	583	1,671	-65.11%	866	-32.68%
Average number of vessels ⁽⁴⁾	38.05	60.90	-37.52%	44.73	-14.92%

Note:

- 1) Calendar days are the total days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- 2) Operating days are the total calendar days less off hire days associated with major repairs, dry-dockings, or special or intermediate surveys.
- 3) Fleet utilisation is the percentage of time that our vessels were available for revenue generation and is determined by dividing available days by calendar days for the relevant period.
- 4) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total calendar days for owned fleet plus available days for chartered in fleet for each vessel, including chartered-in tonnage, was a part of our fleet during the period divided by the number of calendar days in the relevant period.

* Excludes unscheduled repairs on one particular vessel.

Average Daily Operating Results (US\$/Day)

	1Q FY 2010	1Q FY 2009	YoY %	4Q FY 2009	QoQ %
USD/THB Rate (Daily Average)	33.31	34.72	-4.06%	33.96	-1.91%
Time charter equivalent (TC Rate)	\$9,207	\$10,326	-10.84%	\$10,726	-14.16%
TC Rate of Owned Fleet	\$10,237	\$11,064	-7.48%	\$11,563	-11.47%
TC Rate of Chartered-In	-\$1,030	-\$738	39.57%	-\$837	23.06%
Vessel operating expenses (owner expenses)	\$6,013	\$5,368	12.02%	\$5,654	6.35%
General and administrative expenses	\$1,792	\$1,073	67.01%	\$1,151	55.69%
Financial costs	\$146	\$130	12.31%	\$342	-57.31%
Depreciation	\$2,731	\$2,299	18.79%	\$2,475	10.34%
Income taxes	\$240	\$31	674.19%	\$234	2.56%
Operating earnings	-\$1,715	\$1,425	-220.35%	\$870	-297.13%

In 1Q FY 2010, the Baltic Dry Bulk Index (BDI) increased 35.36% from 2,220 points at the end of September 2009 to 3,005 points at the end of December 2009. Although the TC average for the Handysize sector rose along with the BDI, our TC rates dropped by 10.84% YoY or 14.16% QoQ.

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Primary factors for the lower TC rates were:

- a) Increasing bunker prices that reduced our TC rates for spot charters, liner and COA services;
- b) A fleet that was captive within less profitable Southeast Asia and Persian Gulf waters due to our liner trade;
- c) Lower demand for our fleet due to the age and size of our ships as the market has seen an increased demand for larger and younger vessels.

On a per vessel day basis, owner expenses rose due to:

- a) Crew transportation due to sales of vessels;
- b) Repair and maintenance for vessels;
- c) Rising insurance costs;
- d) Increasing amortisation expenses from previous dry.

We chartered-in 582.63 vessel days, or 6.33 full-time equivalent vessels, in 1Q FY 2010. This is part of our strategy to lower the risk of our business, especially if there were few attractive COA and spot voyage charters.

During 1Q FY 2010, we sold a total of three vessels. They were M.V. Thor Jasmine, M.V. Thor Sailor, and M.V. Thor Commander to unrelated third parties. The total cash received for the three vessels sold to third parties amounted to Baht 314.45 million. The combined accounting gains from the sales of these three vessels amounted to Baht 116.41 million, or Baht 94.25 million net of tax. With a smaller fleet, total cargo volume fell to 2.327 million revenue tonnes for 1Q FY 2010 (7.35% QoQ fall from 4Q FY 2009 and 26.32% YoY decrease from the equivalent period last year).

We are in the process of closing down our liner service over the next few months. Our liner service has repeatedly underperformed on profitability when compared to our other service offerings. Given the considerable erosion of liner freight rates in the past year, along with a poor outlook for freight rates in the next few years based on the competitive landscape of the container shipping industry, the Company decided to terminate the liner service.

We have made a provision of Baht 27.71 million in severance benefits and other administrative costs for closing our liner services. As for our liner fleet, we expect to sell or scrap some vessels, while the remaining ones will be redeployed to more profitable services.

Market Outlook for Dry Bulk Shipping Services:

For the remaining quarters of FY 2010, we expect BDI to pick up after the Chinese New Year due to restocking activities. Overall, we expect the BDI to recover slowly and remain steady for the remaining time of the year. Despite reports on an upturn in industrial production from the OECD countries. We believe China will remain the major driving force for the rising demand for dry bulk capacity. We fear that the BDI is likely be capped by the new-building deliveries, which have accelerated over the past months. In the mean time, scrapping is almost negligible as long as earnings are above operational costs for most ship operators. In short, we expect positive double digit net growth of vessel supply over the next year or two.

We received our first new-build vessel, Thor Friendship, from Oshima Shipyard Co., Ltd. in January this year. The vessel has 53,350 deadweight tonnes capacity. There are four more new-build vessels scheduled for delivery by the end of 2011. Three vessels from Vinashin and one from Oshima. The total investment costs for the four vessels are approximately USD 163 million.

Given that six of our owned vessels are reaching the age of 25 years in FY 2010, we expect continued selling or scrapping of our older vessels. In the mean time, we are actively seeking for good values in the second hand market that will provide investment returns that at least meet the Company's hurdle rate. However, the second hand vessels values have rebounded to a level, which is unrealistically high. Using information from The Baltic Exchange, the value of a five-year Supramax vessel was USD 35.474 million as of 10 February 2010.

The shipping services businesses made a net profit contribution (excluding minority interests and exchange gains) of Baht 7.40 million to TTA's financial results, a 91.54% decrease YoY and an 85.03% QoQ. ISS Thoresen Agencies Ltd. reported the largest positive earnings contribution (excluding exchange losses) of about Baht 12.69 million, followed by Thoresen (Indochina) S.A. of Baht 4.17 million.

The Infrastructure Group consists of Unique Mining Services Public Company Limited ("UMS"), EMC Gestion S.A.S./Baconco Co., Ltd., GAC Thoresen Logistics Ltd., and Chidlom Marine Services & Supplies Ltd.

UMS recorded a consolidated net profit of Baht 4.04 million for the 2-month period starting from 27 October 2009 to 31 December 2009 and contributed Baht 1.96 million of earnings to TTA's financial results. We consolidated Baht 410.43 million of UMS's sales and a gross profit of Baht 74.00 million. UMS sold approximately 0.24 million tonnes of coal during 1Q FY 2010 and about 1.2 million tonnes for 2009.

We consolidated 48.46% of UMS's fourth quarter 2009 earnings in 1Q FY 2010. Starting from 2Q FY 2010, we will consolidate 89.55% of UMS's earnings into our financial results.

Analysis on UMS's FY 2009 Financial Results:

	Year end – December 31		
	FY 2009 (Baht million)	FY 2008 (Baht million)	YoY (%)
Coal Sales	2,597.46	3,411.97	-23.87
Total Revenue	2,643.22	3,447.53	-23.33
Cost of Sales	2,063.36	2,358.42	-12.51
Gross Profit	534.11	1,053.55	-49.30
SG&A	325.36	403.15	-19.30
Financial Costs	61.89	44.51	+39.03
Net Profit	88.31	416.77	-78.81

1. UMS's falling profits were due to:

- a) Revenues from coal sales in FY 2009 and FY 2008 were 2,597.46 million and Baht 3,411.97, respectively. The 23.87% fall in sales mainly resulted from a significant drop of sales volume to large sized customers, including those in the cement and pulp & paper industries. However, the Company's sales rose to its medium and small sized customers, comprising of companies in foods & beverages and textiles industries. Nevertheless, the increase in sales to the customers could not compensate for the substantial fall in sales for the large sized customers.
- b) Gross margins declined by 33.42% to 20.56% in FY 2009 versus 30.88% in FY 2008. The two major components of cost of goods sold are the coal price and the cost of transportation.
 - Although UMS's agreed purchase price of coal is based on Newcastle Export Index (NEX) at a floating basis, it observed a fall of 43.96% of the average 2009 NEX index compared to that of the average in 2008 (average FY 2009 NEX =72.25 versus average FY 2008 NEX = 128.92).

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- Cost of transportation was elevated in FY 2009 as UMS fixed all 2009 voyages on a Contract of Affreightment (COA) at a higher rate over the course of 2007 and 2008 when the freight rates were significantly higher.
 - c) UMS's interest expenses increased 39.03% to Baht 62.94 million in FY 2009 from Baht 44.51 million in FY 2008. The higher FY 2009 interest expenses came from increased debt to Baht 2,017.40 million as of the end of FY 2009 versus Baht 1,539.70 million as of FY 2008. The increase in debt was used to finance the rising working capital and fixed assets investments.
2. Extraordinary Item - Non-operating Provision for Declining Coal Value:
- a) UMS made a loss provision of Baht 92.27 million in FY 2008 due to a decline in the market value of its ending coal inventories.
 - b) However, due to the rising market value of coal, UMS reversed the loss provision by Baht 28.65 million during the first half of FY 2009 and Baht 63.62 million during the third quarter of FY 2009.
 - c) During the fourth quarter of FY 2009, UMS once again made a loss provision of Baht 130.51 million on the potential value of its coal dust inventory. The calculation basis of this provision was assuming the sales of the coal dust inventory over a future period at current market prices, discounted at a rate that is equivalent to its cost of fund.

UMS's inventory has grown to Baht 1,546.54 million as of 31 Dec 2009 from Baht 964.24 million as of 31 Dec 2008. UMS's plan to reduce the coal dust inventory is to set up a newly established briquette project. This project is expected to add value to the otherwise low value coal dust inventory as well as to expand the market. Currently, all necessary machinery and equipment will be installed and completed by February 2010. The briquette project is expected to start commissioning in March 2010. The total production capacity of the coal briquette is approximately 40,000 tons per month.

UMS has tested the market by selling some of its manufactured coal briquette to its existing customers, and the response was positive. Given that the coal briquette can be sold at a higher margin, the Company expects to reduce the coal dust inventory to a normal level in years' time.

During 1Q FY 2010, Baconco contributed Baht 706.61 million of sales, a gross profit of Baht 128.83 million, and net profit of Baht 79.80 million to the Company's Infrastructure Group.

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Baconco's FY 2009 Financial Results:

Baht millions	1 Jan - 31 Dec 09	1 Oct - 31 Dec 09
Net sales	2,430.49	706.61
Gross profits	228.81	124.02
Net profit after taxes	57.49	85.16

Given that the fertiliser business is very cyclical and the second half of the year usually outperforms the first half, we do not expect significant contributions from Baconco's fertiliser operation for the next two quarters. Baconco sold 150.161 million metric tonnes for the full year 2009 and 44.697 million metric tonnes from 1 October to 31 December 2009.

We have planned for a capacity of 200,000 metric tonnes in warehousing services in FY 2010. During January 2010, Baconco has booked about 34% of the total capacity.

Until our warehousing and logistic services operation begins commercial operation significantly over the next few months, the main profit driver for Baconco in FY 2010 is still the selling and manufacturing of fertilisers.

The Energy Group comprises of our 57.14% owned Mermaid Maritime Public Company Limited ("MMPLC") and our 21.18% owned Merton Group (Cyprus) Ltd.

MMPLC is the sole earnings contributor to the Company in 1Q FY 2010 under the Energy Group. MMPLC's consolidated 1Q FY 2010 net profit was Baht 115.49 million and delivered Baht 65.99 million to our bottom line. Mermaid Offshore Services Ltd. ("MOS") contributed 57.20% to MMPLC's net profit and Mermaid Drilling Ltd. ("MDL") contributed 2.01% to MMPLC's net profit.

During this quarter, MMPLC successfully raised Baht 3,592.65 million from a right issue. The proceeds of the issue will be used to finance its expansion plans.

MOS: The utilisation of assets in the subsea engineering segment was 45.80% during this quarter; a lower rate than the 58.70% and 56.91% utilisation rates registered a year and a quarter ago, respectively. Despite a poorer utilisation rate of the subsea vessels, MOS reported an increase in service income of Baht 103 million due to higher utilisation days of Mermaid Commander and Team Siam, which normally demand higher day rates. MOS contributed 70.42% of MMPLC's total service income this quarter compared to a smaller 67.47% a year ago.

Since November 2009, MOS took delivery of two new-builds – Mermaid Sapphire in November 2009 and Mermaid Asiana in January 2010. MOS has cancelled its charter of Binh Minh since the delivery of Mermaid Sapphire in November 2009. MOS also officially owned 100% of Team Siam in January 2010 and thus cancelled its charter. MOS is expecting another new-build, Mermaid Endurer, which is scheduled to be delivered in the third financial quarter of FY 2010. The delay in delivery of this vessel had been due to project slippage in the testing and commissioning of its dive system, which is a highly technical and integral component of the vessel. By the end of FY 2010, MOS will have nine (9) owned vessels.

During this quarter, MOS's capital expenditures were approximately Baht 1.94 billion for the instalments of Mermaid Endurer, a saturation diving system and a ROV support vessel, as well as the additional investment to acquire Mermaid Asiana, the deposit of Team Siam and other tools and equipment.

During 1Q FY 2010, MOS's 80% owned Seascope Group reported revenue of Baht 90 million, a surge of 245.7% YoY and a gross profit of Baht 76 million (a high margin of 60%).

The market outlook for the subsea engineering services is favourable for the following reasons:

1. During this quarter, the overall impact on day rates had been minimal. The subsea sector in general has not been observed to be experiencing downward pressure on day rates, and in some cases, we have witnessed marginal day rate increases for the more technical vessels.
2. We continue to successfully operate within the subsea market in the Middle East, where we are performing construction support, saturation diving, ROV and survey services, and have recently announced an alliance agreement with KD Marine based in Aberdeen to market the Mermaid Endurer to the European market.
3. We continue to observe a surge in requests for vessel availability as many oil and gas companies began to re-activate the work programmes and projects that had been delayed.
4. Although this quarter brings us into the monsoon period where utilisation levels in the sub-sea business have been observed to be traditionally lower across the sub-sea services industry, present market conditions have highlighted a potential continuation in demand for our DSV fleet.

MDL: The drilling segment generated 24.40% of MMPLC's total service income this quarter. Drilling service income dropped significantly by approximately Baht 273 million as only 'MTR-2' is operating at an utilisation rate of 99.7%.

During this quarter, our tender rig 'MTR-1' continued to undergo inspection and maintenance in Thailand while awaiting the result of tenders submitted for future work opportunities. Operating costs associated with the rig had been reduced to minimum levels.

Our other tender rig 'MTR-2' continued to operate under its existing drilling contract with Chevron Indonesia with the primary term due for completion in the third financial quarter of 2010. During that time, utilisation of this rig was retained at near full levels. We expect that this drilling contract will be extended at the end of its primary term completion.

Our new build tender rig 'KM-1' is currently being completed at the shipyard in Malaysia and is scheduled for delivery in the second financial quarter of 2010. The rig will proceed immediately on delivery to Petronas Malaysia where it is contracted on a five year term.

The market outlook for the drilling services:

1. A reasonable utilisation rate is still observed to be experienced across the global tender rig fleet. Some oil and gas companies who had previously cancelled or deferred their drilling programmes have recently issued call for tenders.
2. Due to the north-east monsoon, it was observed that these operators preferred to commence new drilling programmes from the third financial quarter of 2010 onwards. As there had been little known contract awards made over the past several quarters, it is observed that other rigs have also become available during this time and are competing against our 'MTR-1' on the same tenders.
3. Nevertheless, as oil prices continue to stabilise and the global economic recovery continues, we expect to see additional requirements for tender rigs.
4. We also believe that day rates have stabilised and as additional rigs secure new contracts, there will be opportunity for day rates to increase.
5. We continue to observe customers showing a preference for newer equipment and are in discussions with them for new build opportunities.

We are also reviewing various opportunities, both in the second-hand market and new-build market for future acquisition of drilling assets that will utilise funds from our recent rights issue. Although our preference is to acquire existing assets that allow more immediate means of revenue generation, we are also beginning to see shipyard availability give rise to potential opportunities in the construction of new-build rigs as an alternative option.

The Company is a holding company (including Soleado Holdings Pte. Ltd. and Athene Holdings Ltd.), which provides support in terms of finance, accounting, human resources, IT, administration and other services. It had a negative contribution of Baht 224.46 million to TTA, primarily due to interest expense of Baht 84.85 million.

The gain on exchange rates during 1Q FY 2010 was Baht 26.86 million compared to a gain of Baht 29.07 million a year ago and a loss of Baht 49.22 million a quarter ago.

During this quarter, TTA had made a few non-operating provisions:

- a) Provision of Baht 27.71 million in severance benefits and other administrative costs for closing our Liner services;
- b) Additional allowance for doubtful debt of Baht 37.23 million.

Cash and cash equivalents decreased by Baht 2,363.26 million during 1Q FY 2010 from the end of September 2009 to Baht 9,459.30 million as of 31 December 2009.

TTA generated Baht 60.73 million from operating activities for 1Q FY 2010 when compared to Baht 2,032.08 million a year ago and Baht 5,000.69 million a quarter ago. The reasons are elaborated in details mentioned above. During 1Q FY 2010, we entered into a USD 200m syndicated loan agreement to finance our future merger & acquisitions. Cash flow from financing was thus raised by Baht 3,381.07 million. Most of the cash usages were for acquisitions of subsidiaries (Baht 3,966.03 million for acquiring 89.55% of UMS) and other assets.

Over the past year, TTA has been aggressively expanding to include other new businesses to ensure more balanced and diversified earnings growth for the Company. Unfortunately, our non-shipping businesses did not generate enough profits to offset the losses from the shipping business and our debt service costs.

Yours faithfully,

Thoresen Thai Agencies Public Company Limited

Ms. Thitima Rungkwansiroj
Executive Vice President
Group Finance and Accounting

Ms. Mantanee Surakarnkul
Company Secretary

Remarks: The full disclosure report about the 2010 First Quarter Financial Results of MMPLC can be viewed at <http://www.mermaid-maritime.com>.