

Agenda No. 10 To consider and approve the issue of up to 4,000,000 warrants to the directors and employees (including any employee who is a director) of Mermaid Maritime Public Company Limited and its subsidiaries under ESOP Scheme.

Set out below are indicative terms for the allocation of warrants to directors and employees (including any employee who is a director of Mermaid Maritime Public Company Limited (the “Company”) and its subsidiaries under the Employees Share Option Plan Scheme (“ESOP Scheme”).

1. Objectives and necessity of the issuance of warrants

The Scheme offered by the Company is intended to maximise the interests of the Company and its subsidiaries by providing directors and employees (including any employee who is a director) with additional incentives through the grant of warrants based on the performance of the Company, thereby increasing the personal stake of such directors and employees in the continued success and growth of the Company and encouraging them to remain in the service of the Company.

2. Indicative features

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|-----------------------------------|---|--|
| Type | : | Registered and non-transferable warrants for the purchase of ordinary shares in Mermaid Maritime Public Company Limited (“Warrants”). The Warrant cannot be transferred (except for the transfer to the warrant holders' legitimate heirs). |
| Term | : | Up to five (5) years from the issue date of Warrants |
| Offering amount | : | 4,000,000 Warrants |
| Amount of reserved shares | : | 4,000,000 shares, representing 0.51% of the paid-up capital of the Company (such paid-up capital representing 784,747,743 shares) |
| Offering price | : | Baht -0- per unit |
| Exercise ratio | : | one (1) warrant: one (1) ordinary share (the exercise ratio may be changed following the conditions for adjustment of rights). |
| Exercise price | : | The Warrants are to be issued after the end of financial year (30 September 2010). The exercise price shall be calculated based on the weighted average closing price of the Company's shares traded on the SGX-ST for 15 consecutive trading days immediately before the issue date of Warrants. (The exercise price may be changed following the conditions for adjustment of rights). |
| Exercise Date and Exercise Period | : | The warrant holders can exercise the Warrants every six months after the third anniversary of the Issue Date. Subject to the below paragraph, if any exercise date falls on the day (which is not a business day), a warrant holder is entitled to exercise his/ her Warrants on the business day immediately following such date. |

The last exercise date shall fall on the last business day of the end of the five (5) year period after the issue date of the Warrants.

There is no limitation on the number of the Warrants which must be exercised.

The Warrants which are outstanding or are not exercised on any exercise date may be carried over to the next exercise date until the end of the term of the Warrants.

As regards to the last exercise period, the warrant holders shall send a notice of exercise of Warrants no less than fifteen (15) days prior to the expiry of the Warrants.

- Exercise method : To exercise the Warrants, a warrant holder must lodge with the Company a written notice of exercise of Warrants specifying the number of Warrants being exercised together with payment for the exercise price of the Warrants multiplied by the number of Warrants being exercised.
- Offering period : The Company shall issue the Warrants within one (1) year from the date in which approval of the Plan is given by the shareholders of the Company, or in the case where approval of the Scheme is also required by the shareholders of the entity that holds more than 50 percent of the shares in the Company, then the Company shall issue the Warrants within one (1) year from the later of the date when approval is given by the shareholders of the Company and that other entity.
- Allocation method : To no more than fifty (50) directors and employees (including any employee who is a director) of the Company and its subsidiaries.
- Maximum entitlement : No more than five percent (5%) of the allocation shall be allotted to each participant.
- Secondary market of Warrants : No Warrants will be listed on the SGX-ST or the SET.

3. Summary rules and conditions for the allocation and exercise of Warrants

- 3.1 The Company will allocate the Warrants to directors and employees (including any employee who is a director) of the Company and its subsidiaries, within 1 year after it has obtained approval by the shareholders of the Company, or in the case where approval is also required by the shareholders of the entity that holds more than 50 percent of the shares in the Company, then the Company shall issue the Warrants within 1 year after approval is given by the shareholders of the Company and the shareholders of that other entity.

- 3.2 The outstanding Warrants and the Warrants, which have not been exercised on or prior to the expiry date of the Warrants (the date falling the fifth anniversary of the issue date), shall be cancelled.
- 3.3 The Company's Remuneration Committee ("RC") shall have the authority to implement the provisions of the Scheme, to apply such rules and regulations that may exist, for carrying out the Scheme and to decide on all questions of fact arising in the application of the Scheme. All decisions and acts of the RC shall be final and binding upon all affected ESOP Scheme participants.
- 3.4 A person who is entitled to the allotment of Warrants shall be a director or an employee on the date of allotment of Warrants.
- 3.5 List of directors and employees (who are also director(s)) of the Company and its subsidiaries who may be allotted the Warrants and the number of Warrants to be allotted are as follows:

| Names of directors | Job title | Number of allotted Warrants (units)* | % of total number of Warrants |
|-----------------------------|---|---|--------------------------------------|
| M.L. Chandchutha Chandratat | Executive Chairman of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Lim How Teck | Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Ng Chee Keong | Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Pichet Sithi-Amnuai | Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Leslie George Merszei | Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Ms. Joey Horn | Non-Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Surasak Khaoroptham | Non-Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Tom Springall | Non-Independent Non-Executive Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |

| Names of directors | Job title | Number of allotted Warrants (units)* | % of total number of Warrants |
|---------------------------|---|---|--------------------------------------|
| Mr. David Stewart Simpson | Executive Director and Managing Director of Mermaid Maritime Public Company Limited | Up to 200,000 | 5 |
| Mr. Mark Shepherd | Director of Mermaid Offshore Services Ltd. | Up to 200,000 | 5 |
| Ms. Oraporn Lerdthuwanon | Director and Financial Controller of Mermaid Offshore Services Ltd. | Up to 200,000 | 5 |
| Mr. Sataporn Amornvorapak | Chief Financial Officer of Mermaid Maritime Public Company Limited and Director of Mermaid Offshore Services Ltd. | Up to 200,000 | 5 |
| Mr. Stephen Gregor Lenz | Director and Drilling Manager of Mermaid Drilling Ltd. | Up to 200,000 | 5 |
| Mr. Simon Matthew Turner | Director of Seascope Surveys (Thailand) Ltd. and General Manager of Mermaid Offshore Services Ltd. | Up to 200,000 | 5 |
| Mr. James McGhee Nicoll | Director of Mermaid Drilling (Malaysia) Sdn. Bhd. and General Manager of Mermaid Drilling (Malaysia) Sdn. Bhd. | Up to 200,000 | 5 |
| Mr. Claus Bent Jorgensen | Director of Nemo Subsea IS and Business Development Manager of Mermaid Offshore Services Ltd. | Up to 200,000 | 5 |
| Mr. Shaun William China | Director of Seascope Surveys (Thailand) Ltd. and Seascope Surveys Pte. Ltd. | Up to 200,000 | 5 |
| Mr. Peter Reichlmeier | Director of PT Seascope Surveys Indonesia | Up to 200,000 | 5 |

* This is the maximum number of Warrants to which each employee who is a director is entitled. The number of allotted Warrants that each person will actually receive will depend on his/her assessment as stipulated below at paragraph (b).

The RC shall have the authority to allocate Warrants to any other employees (except those who are also acting as directors) whose qualifications meet the following eligibility criteria:

(a) such person must be an employee of the Company or its subsidiaries on the date of allotment of Warrants; and

(b) number of Warrants to be allotted by the RC to each such employee may be different, depending on his/her position, experience, year of service, responsibility, performance and potential as well as contributions made to the Company.

Notwithstanding the above, the maximum number of Warrants that any person can receive shall not exceed five (5) percent of the total ESOP warrants.

3.6 List of the director(s) and employees (including any employee who is a director) who may be allotted more than 5 percent of the total ESOP Warrants.

- None -

3.7 Exercise conditions

(a) Eligible Director or Employee:

Save for the conditions under (b), (c), (d), and (e), any warrant holder wishing to exercise his/her right must be a director or employee of the Company or any of its subsidiaries as of the exercise date.

(b) Death or Disability:

If the warrant holder ceases to be a director or employee of the Company or any of its subsidiaries as a result of death or disability (as determined by the RC), his/her heir or guardian will be entitled to exercise the Warrant until the expiry of the Warrants, provided that the relevant legal documents have been completely presented (to the satisfaction of the RC)

(c) Termination by the Company without fault committed by the employee or early retirement due to the Company, or in the case of a director, failure to be re-elected by the shareholders:

If the warrant holder ceases to be an director or employee of the Company or any of its subsidiaries as a result of the termination of engagement without fault committed by the director or employee or early retirement for the convenience of the Company (as determined by the RC), the warrant holder will become fully exercisable and will remain exercisable until the expiry of the Warrants.

(d) Normal Retirement Programme:

If the warrant holder ceases to be a director or employee of the Company or any of its subsidiaries as a result of the termination of engagement due to a normal retirement programme of the Company or its subsidiaries or otherwise (as determined by the RC), at any time before the expiry date of the term of the Warrant, the RC may, in its absolute discretion, extend the exercise period for up to three years after such termination or cessation (as the case may be), provided that such extended period does not expire after the expiry of the term of the Warrants. Following his/her retirement, no additional portions of his/her Warrants will become exercisable, and the warrant holder will be

limited to the number of warrants which he/she was entitled to exercise under the ESOP Scheme on the date of his/her retirement.

(e) **Other Reasons:**

If the warrant holder ceases to be a director or employee of the Company or any of its subsidiaries for any reason other than death or disability, termination by the Company without fault committed by the director or employee or early retirement due to the Company or normal retirement programme, the exercise period will expire upon 60 days after such termination of his/her engagement, provided that such 60 days extended period does not expire after the expiry of the term of the Warrants. Following the termination of his/her engagement, no additional portions of his/her will become exercisable, and the warrant holder will be limited to the number of warrants which he/she was entitled to exercise under the ESOP Scheme on the date of the termination of his/her engagement.

If the warrant holder ceases to be a director or employee of the Company or any of its subsidiaries for any reason, other than those specified above, such warrant holder will no longer be entitled to exercise the allocated Warrant and must return the non-exercised Warrant to the RC for further allocation to other employees (except those who are also acting as directors) whose qualifications meet the eligibility criteria.

4. Adjustment conditions

The Company may have to issue the additional new ordinary shares in reserve for any possible adjustment to the exercise price and/or exercise ratio in respect of the allocated Warrants upon the occurrence of any events as defined by the relevant notifications of the Securities and Exchange Commission.

5. Financial support by the securities issuer in favour of the Company's employees (if any)

-None-

6. Effects on shareholders

6.1 Price dilution

The price dilution is minimal since the exercise price shall be based on the weighted average closing price of the Company's shares traded on the SGX-ST for 15 consecutive trading days immediately prior to the issue date.

6.2 Control dilution

If the directors and employees exercise the entire Warrants to purchase the total amount of the 4,000,000 reserved shares, the profit sharing or voting rights of the existing shareholders will be diluted by not more than 0.51% of the existing profit sharing or voting rights.

6.3 Cost to the Company

Under Thai Generally Accepted Accounting Principles (Thai GAAP), the granting of Warrants under the Plan will not result in the Company having to recognize any expenses in the Company's income statement.

7. **Other information material to the investors' decision making (if any)**

Investors who invest in the Company's shares will receive the benefit (in form of both dividend and value of shares) from the performance of the participants of the Scheme. Those who are allotted the Warrants will be encouraged to perform the best of their ability to enhance the value of the Company's shares.

8. **Winding-up of the Company**

In the event that an order is made for the winding-up of the Company on the basis of insolvency, all Warrants to the extent unexercised shall lapse and become void. In the event of voluntary winding-up by the Company, the Warrants held which has not expired or lapsed may be exercised and paid for at any time not later than two (2) business days before the proposed general meeting of shareholders to consider the voluntary winding-up of the Company.

9. **Shareholders' right of objection**

The issue of Warrants to directors employees (including any employee who is a director) of the Company and its subsidiaries requires the approval of the shareholders' meeting through at least three-quarter votes of all shareholders present and eligible to vote. Any shareholders having more than 10% of the total votes of all shareholders present at the shareholders' meeting are entitled to object to this issue of Warrants in which case the resolution shall be defeated.

Shareholders who are eligible to participate in the ESOP Scheme are to abstain from voting on any Shareholders' resolutions related to the ESOP Scheme.

10. **Official filings relating to the application for the offering of Warrants**

Where required by applicable legislation and/or regulation, the board of directors of the Company or any person authorised by the board of directors of the Company will arrange for the filing of any necessary documents for obtaining the approval of any appropriate regulatory authorities in relation to the offering of Warrants.

Furthermore, the board of directors of the Company or any person authorised by the board of directors of the Company have the power and authority to perform any appropriate actions, including to determine and amend the rules, terms, conditions and other details relevant to the Warrants in order to ensure that the required filings conform to the applicable laws and relevant notifications or instructions of the Office of the SEC.

11. **Details about the previous plan(s)**

The Company had implemented two (2) previous Employee Share Option Plans as approved by TTA shareholders on 6 August 2007 and 30 January 2009.

Under the first plan approved on 6 August 2007, 3,832,053 warrants were available for allotment representing 3,832,053 shares. On 20 November 2008, 698,000 of those warrants were allotted to 18 participants, including employees who are directors of the Company and its subsidiaries. The remaining 3,134,053 warrants that were unallocated under the first plan were cancelled on 29 January 2009. There were no shares issued from this allotment to date as the warrants had not yet reached their exercise date. The conditions to which the warrants are subject to are identical to this Plan but were only available for distribution to employees (including any employee who is a director of the Company and its subsidiaries). Subsequently, the Company's shareholders had approved a rights issue on 14 October 2009. At the same shareholders' meeting, the Company's shareholders had also approved the provision of an additional 352,000 warrants for allocation to participants under the first plan to mitigate the dilution effect arising from the rights issue. On 16 November 2009, only 668,000 of those warrants under the first plan remained exercisable amongst 17 remaining participants. Accordingly, the RC issued another 300,600 warrants to such remaining participants on 16 November 2009 on a pro-rata basis of every 9 additional warrants for every 20 existing warrants held, being the same pro-rata basis of the rights issue. Hence the total number of warrants now issued under the first plan is 968,600 warrants. The remaining 51,400 unallocated warrants from the rights issue adjustment is scheduled to be cancelled by the end of January 2010.

Under the second plan approved on 30 January 2009, 3,000,000 warrants were available for allotment representing 3,000,000 shares. On 16 November 2009, 891,000 of those warrants were allotted to 21 participants, including employees who are directors of the Company and its subsidiaries. There were no shares issued from this allotment to date as the warrants had not yet reached their exercise date. The conditions to which the warrants are subject to are identical to this Plan but were only available for distribution to employees (including any employee who is a director of the Company and its subsidiaries). The remaining 2,109,000 unallocated warrants under the second plan is scheduled to be cancelled by the end of January 2010.