

Attachment 4

Indicative terms of the ESOP Scheme of Mermaid Maritime Public Company Limited

Set out below are indicative terms for the allocation of warrants to employees (including any employee who is a director of Mermaid Maritime Public Company Limited (the “Company”) and its subsidiaries under the ESOP 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 employees with additional incentives through the grant of warrants based on the performance of the Company, thereby increasing the personal stake of such employees in the continued success and growth of the Company and encouraging them to remain in the employment of the Company.

2. Indicative features

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 warrantholders' legitimate heirs).
Term	: Up to five (5) years from the issue date of Warrants
Offering amount	: 3,832,053 Warrants
Amount of reserved shares	: 3,832,053 shares, representing 1% of the paid-up capital of the Company (such paid-up capital representing 383,205,340 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 listing of the Company, 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 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 warrantholders 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 warrantholder is entitled to exercise its 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 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 15 days prior to the expiry of the Warrants.

Offering period : The Company shall issue the Warrants within one year from the date on which the Office of the Securities and Exchange Commission (the **Office of the SEC**) approves the issue and offer of the Warrants.

Allocation method : To no more than 35 employees (including any employee who is a director) of the Company and its subsidiaries.

Secondary market of Warrants : No Warrants will be listed on the SGX-ST nor the SET.

3. Rules and conditions for the allocation and exercise of Warrants

- 3.1 The Company will allocate the Warrants to employees (including any employee who is a director) of the Company and its subsidiaries, after it has obtained an approval for issue of the Warrants from the Office of the SEC.
- 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 an employee on the date of allotment of Warrants.
- 3.5 List of the director(s) who will 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
Mr. David Simpson	Director and Managing Director of Mermaid Maritime Public Company Limited	996,335	26
Mr. Mark Shepherd	Director of Mermaid Offshore Services Ltd.	613,130	16
Mr. Magne Hovden	Director of Mermaid Drilling (Malaysia) Sdn. Bhd. and Operation Manager of Mermaid Drilling Ltd.	536,490	14

3.6 List of the director(s) and employees who will be allotted more than 5 percent of the total ESOP Warrants, the number of Warrants to be allotted and number of attendances for 2006 are as follows:

Names of director(s) /employees	Job title	Number of allotted Warrants (units)****	% of total number of Warrants	Number of attendances / Number of Meeting
1. Mr. David Simpson	Director and Managing Director of Mermaid Maritime Public Company Limited	996,335	26	4/4*
2. Mr. Mark Shepherd	Director of Mermaid Offshore Services Ltd.****	613,130	16	13/13**
3. Mr. Magne Hovden	Director of Mermaid Drilling (Malaysia) Sdn. Bhd. and Operation Manager of Mermaid Drilling Ltd.****	536,490	14	2/2***
4. Mr. Simon Turner	General Manager of Mermaid Offshore Services Ltd.	536,490	14	-
5. Mr. Steve Hughes	Business Development Manager of Mermaid Offshore Services Ltd.	287,402	7.5	-
6. Mr. Graeme Thomas	Rig Manager of Mermaid Drilling Ltd.	287,402	7.5	-
7. Mr. Alexander Hay	Rig Manager of Mermaid Drilling Ltd.	287,402	7.5	-
8. Mr. Clive Opperman	Fleet Manager of Mermaid Offshore Services Ltd.	287,402	7.5	-
	Total	3,832,053 *****	100	

Remark:

- * Mr. David Simpson was appointed as director and managing director of Mermaid Maritime Public Company Limited on 1 August 2006; thereafter the appointment, he attended all board of directors meetings.
 - ** Mr. Mark Shepherd was appointed as director of Mermaid Offshore Services Ltd. on 19 March 2006; thereafter the appointment, he attended all board of directors meetings.
 - *** Mr. Magne Hovden was appointed as director of Mermaid Drilling (Malaysia) Sdn. Bhd. on 29 November 2005; thereafter the appointment, he attended all board of directors meetings.
 - **** Mermaid Offshore Services Ltd. and Mermaid Drilling Ltd. are subsidiaries of Mermaid Maritime Public Company Limited and Mermaid Drilling (Malaysia) Sdn. Bhd. is subsidiary of Mermaid Drilling Ltd.
 - ***** This is the maximum number of the Warrants to which each relevant employee is entitled. The number of the allotted Warrants that each employee will actually receive, will depend on his/her achievement of KPI's provided that the maximum number of the Warrants that each employee will receive shall not exceed number of Warrants as described in the above table. Please see further details in paragraph (a) below.
- (a) The RC shall have the authority to specify the number of the Warrants that each employee is entitled based upon achievement of KPI's. Such KPI's may be described in terms of Company wide objectives and objectives which are related to performance of the employee or of the subsidiary, division, department, or function within the Company in which the employee is employed.
- (b) Potential Benefits from the ESOP Warrants
- The exercise price of the Warrants is the weighted average closing price of the Company's shares traded on the SGX-ST for 15 consecutive trading days before the issue date of Warrants which is the market price. As a result, there is no margin between the exercise price and the market price.
- (c) Opinion of Board of Directors and Remuneration Committee

For Mr. David Simpson, Mr. Mark Shepherd, Mr. Magne Hovden, and Mr. Simon Turner

The Company, operating in a niche market, depends on the ability, commitment, and knowledge base of our executive management (names above). The success and growth of the Company can only be achieved through the executive management vision, contact base, and market intelligence. In a niche market, the availability of such persons is extremely limited, and such persons are in high demand. These key positions attract "industry typical" benefits, which are pretty much standard in this sector. As such, the Board of Directors and RC recommend that 2,682,445 warrants are granted to these key individuals in recognition of their tireless efforts in successfully growing the Company and its continued success. It is also recognized that the executive management have been compensated at below industry average due to their agreement to accept our ESOP scheme which is only triggered when the

operating results of the Company meet or exceed objective. The number of warrants granted to each individual takes into account their level of accountability and responsibility.

For Steve Hughes, Alexander Hay, Graeme Thomson, and Clive Oppermann

Our operational management commitment and tireless efforts are essential in maintaining our assets in full operating condition to ensure a safe and quality performance to our client. They represent the Company at the highest level when interacting with our clients. This management team has delivered results of the highest quality and have developed an excellent reputation in our niche market place. Each individual is fully committed to his responsibility and all have a healthy appetite to perform at the highest level never complaining about long hours and seven day weeks. The Board of Directors and RC recognize these efforts and also recognize the commitment and personal sacrifices these individuals have made to the Company and are pleased to award 287,402 warrants to each person.

- (d) The RC shall have the authority to further allocate the remaining Warrants after the allocation to employee under paragraph (a) to any other employees (except to those who are also acting as directors) whose qualifications meet the following eligibility criteria.
 - (i) such person must be an employee of the Company on the date of allotment of warrants; and
 - (ii) number of Warrants to be allotted by the RC to each 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.

If the Company wishes to allocate the Warrants to any employee in an amount more than 5 percent of the total Warrants under this ESOP, the Company shall first seek approval from the shareholders' meeting. Qualifications of the employee who is entitled to the allotment of warrants.

3.7 Exercise conditions

- (a) Eligible Employee:

Save for the conditions under (b), (c), (d), and (e), any warrant holder wishing to exercise his/her right must be an 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 an 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.
- (c) Termination by the Company without fault committed by the employee or early retirement due to the Company:

If the warrant holder ceases to be an employee of the Company or any of its subsidiaries as a result of the termination of employment without fault committed by the 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 an employee of the Company or any of its subsidiaries as a result of the termination of employment 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 an 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 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 employment, 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 employment, 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 employment.

If the warrant holder ceases to be an 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. However, if any employee is entitled to more than 5 percent of the total Warrants under this ESOP, the Company shall first seek approval from the shareholders' meeting.

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.

6.2 Control dilution

If the directors and employees exercise the entire Warrants to purchase the total amount of the 3,832,053 reserved shares, the profit sharing or voting rights of the existing shareholders will be diluted by not more than 1% of the existing profit sharing or voting rights.

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

The investor who invests in the Company's shares will receive the benefit (in form of both dividend and value of shares) from the performance of the employees. 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. Shareholders' right of objection

The issue of Warrants to 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.

Approval of the shareholders' meeting passed by at least three-quarter votes of all shareholders present and eligible to vote, is required if the Company is to allocate the Warrants to each director, or each employee, in amount of more than 5 percent of the total Warrants under the ESOP scheme. Any shareholders having more than 5% of the total votes of all shareholders present at the shareholders' meeting are entitled to object to this issue of Warrants.

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

9. Official filings relating to the application for the offering of Warrants

The board of directors or any person authorised by the board of directors will arrange for the filing of any necessary documents for obtaining the approval of the Office of the Securities and Exchange Commission and other appropriate regulatory authorities in relation to the offering of Warrants. Furthermore, the board of directors or any person authorised by the board of directors has 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 Securities and Exchange Commission.