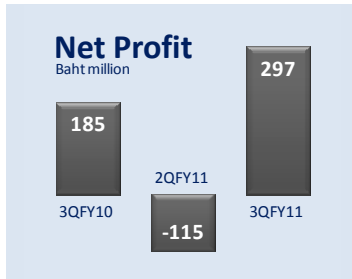




Ref No. COR:MS/EL11019e/JN

**TTA: Thoresen Thai Agencies Public Company Limited**  
**3QFY11 Earnings Release**  
**Apr - Jun 2011 Quarter**

Date: 15 August 2011  
 Subject: The Third Quarter 2011 Financial Results  
 To: The President of the Stock Exchange of Thailand



Thoresen Thai Agencies Public Company Limited (“TTA”) reports a net profit of Baht 297 million and earnings per share of Baht 0.42 for the three-month period from 1 April to 30 June 2011 (“3QFY11”). This compares with a net profit and earnings per share of Baht 185 million and Baht 0.26, respectively for the three-month period from 1 April to 30 June 2010 (“3QFY10”) and with a net loss and losses per share of Baht 115 million and Baht 0.16, respectively for the three-month period from 1 January to 31 March 2011 (“2QFY11”).

**Highlights**

- Reconfigured dry bulk shipping fleet generated improved time charter rates
- TTA’s dry bulk shipping fleet consisted of 18 vessels with per-vessel averages of 37,107 DWT and 11.5 years old at the end of 3QFY11
- Rising profit contributions from Petrolift Inc., one of TTA’s diversified investments in the Philippines’ leading petroleum tankering company
- Good progress has been made by Unique Mining Services PCL (“UMS”) to reduce its 0-5 mm coal inventory, thus some impact on its margins
- Protests against all coal businesses in Samut Sakorn are expected to linger, but financial impacts should be limited in the short-term
- Baconco, another diversified business in Vietnam, continued its strong performance with profits of Baht 68 million
- Encouraging signs of recovery in Mermaid Maritime PCL’s (“Mermaid”) subsea engineering business with higher utilisation rates and improvement in day rates
- Offshore drilling business outlook is upbeat with a successful USD 80 million fund raising, listing of AOD on Oslo Axess, and the partnership with a strong global offshore drilling company, Seadrill

**Executive Summary**

**Group Transport** provided Baht 98 million of profit contribution, 152% increase quarter-on-quarter (“qoq”), but 77% down year-on-year (“yoy”). The dry bulk shipping business continues to experience a vessel oversupply situation. However, TTA’s reconfigured fleet generated 17% higher TC rates qoq versus the 1% increase in the Baltic Dry Index (“BDI”).

**Group Infrastructure** provided Baht 88 million of profit contribution, down 37% yoy and 2% qoq, as UMS sold more than 200,000 tonnes of its 0-5 mm coal inventory. Other infrastructure group companies maintained their consistent performances.

**Group Energy** provided Baht 22 million of profit contribution, 115% growth yoy and 118% growth qoq. Positive momentum in Mermaid’s subsea engineering business turned the group into profit after five consecutive quarters of losses.

**Corporate** provided Baht 89 million of profit contribution, 137% and 171% increases yoy and qoq, respectively, due primarily to realised gains on USD/JPY cross currency swap.

Baht millions	3QFY10	2QFY11	3QFY11	YoY %	QoQ %
Transport	434	39	98	-77%	152%
Infrastructure	139	90	88	-37%	-2%
Energy	-150	-120	22	115%	118%
Corporate*	-239	-124	89	137%	171%
<b>Net profit</b>	<b>185</b>	<b>-115</b>	<b>297</b>	<b>60%</b>	<b>357%</b>

\* Corporate = TTA, the holding company, and inter-company eliminations



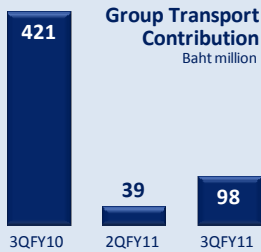
Ref No. COR:MS/EL11019e/JN

TTA: Thoresen Thai Agencies Public Company Limited

## 3QFY11 Earnings Release

Apr - Jun 2011 Quarter

### Group Transport



### Highlights

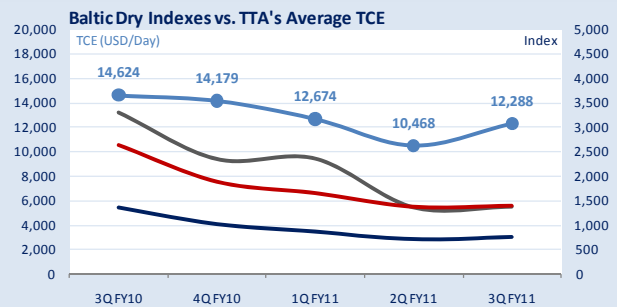
- Slight improvement operationally qoq, though not yet breaking even from a pure operations basis
- Fleet reconfiguration should assist operating results
- Industry outlook remains weak
- Rising contributions from Petrolift

*BDI index remains soft.*

*Fleet reconfiguration helps TTA's TCE to outperform the BDI.*

### Slight improvement operationally qoq, though not yet breaking even from a pure operations basis

BDI remains weak, falling 58% from an average of 3,307 points in 3QFY10 to 1,379 points in 3QFY11. The more relevant indices for TTA's fleet, BSI for Supramax and BHSI for Handysize, closely follow the BDI, falling 47% and 44%, respectively during the same period. TTA's Time Charter Equivalent ("TCE") rate fell 16% yoy, but increased 17% qoq to USD 12,288 per day for 3QFY11. The TCE improvement, outperforming the BDI, is attributable to generally larger and more modern vessels in the fleet and positive contribution from chartered-in vessels.



*Owner expenses are relatively well contained, while dry docking expenses continue to decline.*

The per-day vessel owner expenses are relatively flat both yoy and qoq at USD 5,436. Dry docking expenses continue to decline at 11% yoy and 9% qoq, as newer vessels generally means lower dry docking expenses.

### Average Daily Operating Results (USD/Day)

USD/Day	3Q FY10	2Q FY11	3Q FY11	%yoy	%qoq
USD/THB Rate (Daily Average)	32.38	30.56	30.27	-7%	-1%
Time charter equivalent (TCE Rate)*	\$14,624	\$10,468	\$12,288	-16%	17%
TCE Rate of Owned Fleet	\$15,381	\$11,553	\$12,077	-21%	5%
TCE Rate of Chartered-In	-\$757	-\$1,085	\$211	128%	119%
Vessel operating expenses (owner expenses)	\$5,343	\$5,347	\$5,436	2%	2%
Dry-docking expense	\$1,386	\$1,351	\$1,236	-11%	-9%
General and administrative expenses	\$1,470	\$1,494	\$1,685	15%	13%
Financial costs	\$117	\$213	\$256	119%	20%
Depreciation	\$3,155	\$4,157	\$4,567	45%	10%
Operating earnings*	\$3,153	-\$2,094	-\$891	-128%	57%

\*The per day basis is calculated based on available service days.

*SG&A needs trimming while TCE needs further advances.*

To get to operational breakeven levels, TTA is emphasising two objectives: vessel operating and general and administrative expenses need to be lowered, and TCE rates need to be pushed up. Initiatives to achieve higher performance continued to be introduced, and efficiency improvements will be demonstrated in FY 2012.



**TTA: Thoresen Thai Agencies Public Company Limited**  
**3QFY11 Earnings Release**  
**Apr - Jun 2011 Quarter**

*Modernised fleet should enhance competitiveness and also help improve operating results.*

*Seven older, smaller Handysize were sold.*

*One new build Supramax was added.*

*TTA now owns and operates a much more compact fleet of much larger-size vessels than before.*

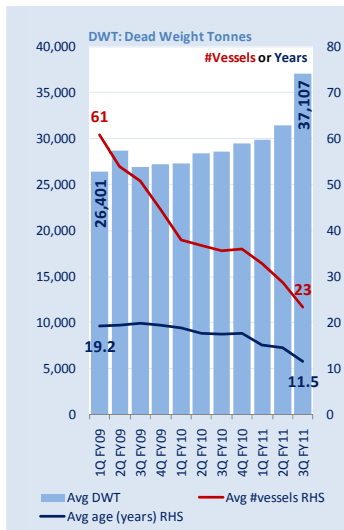
**Fleet reconfiguration should assist operating results**

TTA will continue to optimise its fleet in the current market environment and will seek renewal options when asset values become more attractive.

During 3QFY11, seven older Handysize vessels with an average age of 25 years old were sold. Approximately Baht 205 million of gains on sales of these vessels were booked in 3QFY11. The sold vessels are:

- |                          |                       |
|--------------------------|-----------------------|
| 1) M.V. Thor Confidence  | 5) M.V. Thor Nautilus |
| 2) M.V. Thor Transporter | 6) M.V. Thor Orchid   |
| 3) M.V. Thor Nereus      | 7) M.V. Thor Nectar   |
| 4) M.V. Thor Navigator   |                       |

On 15 June 2011, TTA took delivery of one new 53,350 DWT Supramax from Oshima Shipbuilding Co., Ltd. The new vessel, M.V. Thor Fortune, is a sister vessel to M.V. Thor Friendship that was delivered last year and cost JPY 4,085 million.



**Fleet data summary**

	3Q FY10	2Q FY11	3Q FY11	yoq	qoq
Average DWT	28,578	31,463	<b>37,107</b>	30%	18%
Calendar days for owned fleet <sup>(1)</sup>	2,596	2,294	<b>1,931</b>	-26%	-16%
Available Service days for owned fleet <sup>(2)</sup>	2,405	1,959	<b>1,721</b>	-28%	-12%
Operating days for owned fleet <sup>(3)</sup>	2,367	1,952	<b>1,714</b>	-28%	-12%
Owned fleet utilisation <sup>(4)</sup>	98.4%	99.6%	<b>99.6%</b>	1%	0%
Voyage days for chartered-in fleet	873	636	<b>419</b>	-52%	-34%
Average number of vessels <sup>(5)</sup>	35.6	28.8	<b>23.4</b>	-34%	-19%
DWT-weighted average age	17.5	14.5	<b>11.5</b>	-34%	-20%

Note:

- (1) Calendar days are the total calendar 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) Available service days are calendar days <sup>(1)</sup> less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- (3) Operating days are the available days <sup>(2)</sup> less unplanned off-hire days, which occurred during the service voyage.
- (4) Fleet utilisation is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days for the relevant period.
- (5) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.

Besides the fleet reconfiguration, TTA decided to take a Baht 113 million impairment charge on assets under construction at a supplier. In November 2007, an order for four main engines was made as part of a cancelled newbuild vessel programme. Approximately USD 15 million has been paid to the supplier in instalment payments. The sub-contractor of the supplier, however, has run into financial difficulties and has not been able to build and deliver the engines as agreed upon. While TTA intends to claim the entire payment back, the resolution is under negotiation. Conservatively, 25% of the entire payment was impaired during 3QFY11.

At the end of 3QFY11, TTA owned a fleet of 18 dry bulk vessels (3 Handysize, 9 Handymax, and 6 Supramax) with an average size of 37,107 DWT per vessel and an average age of 11.5 years old. The remaining three Handysize vessels will be sold in 4QFY11, so the expected fleet configuration at the end of FY11 is 15 vessels, 43,798-DWT average size, and only 10.8 years old. This modern fleet should allow TTA to manoeuvre efficiently through the industry downturn.



Ref No. COR:MS/EL11019e/JN

TTA: Thoresen Thai Agencies Public Company Limited

## 3QFY11 Earnings Release

Apr - Jun 2011 Quarter

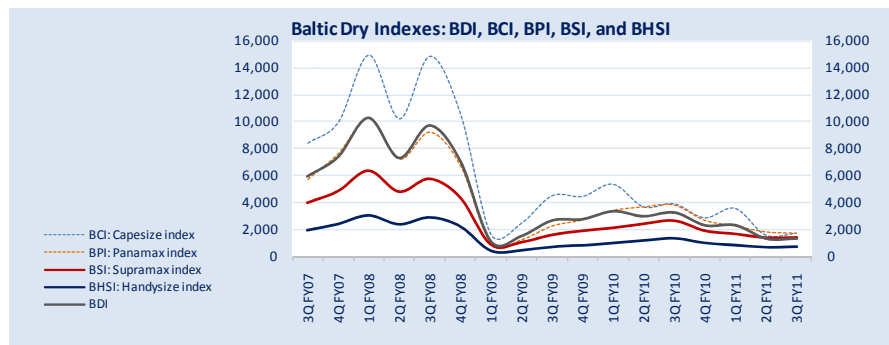
### Industry outlook remains weak

*Capesize market is pressuring the overall industry.*

The dry bulk shipping industry is expected to remain under pressure. The recent pressure on the BDI since January 2011 has come from the Capesize segment. The BCI (Baltic Capesize Index) has collapsed to the same level of Panamax and Supramax vessels in 3QFY11. The Capesize time charter rates currently hover near USD 10,000 per day.

*Over 40% vessel growth is expected during 2011-2013+.*

Demand for dry bulk vessels continues to grow in line with global GDP, but oversupply of vessels is expected to continue for another 2-3 years. Fearnleys Fleet Update reports 528 new vessels (over 45 million DWT) were delivered with only 95 older vessels demolished in the first six months of 2011. The order book of new vessels to be delivered during 2011-2013+ is 43.6% of the current world fleet, as opposed to 20% for the vessels of size 25,000-50,000 DWT (i.e. Handymax and Supramax).



*Shipping demand is expected to grow but with a potential slowdown...*

Demand for dry bulk shipping is still expected to grow, yet has potential to slowdown. China steel output will continue to be the main driver of growth as demand for construction steel will be driven by affordable housing projects. Also Japanese recovery may positively impact demand. Steam coal imports in May were 5% higher than April.

*...with another round of global recession threat.*

However, Chinese imports are likely to slow down as domestic production is favoured. Standard & Poor's downgrade of U.S. Government debt to AA+ was the latest sign among growing concerns of another economic slowdown or recession. Overall shipping demand cannot possibly grow at the same pace as the growth of the fleet.

*TTA is to maintain a compact but competitive fleet until buying opportunities arise.*

TTA is convinced that owning and operating a more compact and efficient fleet is the most appropriate move strategically. We plan to wait until vessel market prices justify further investments.

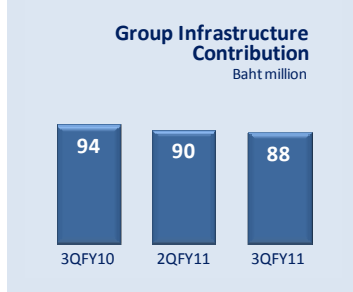
### Rising contributions from Petrolift

*Contribution from diversified investments helps support the bottom line.*

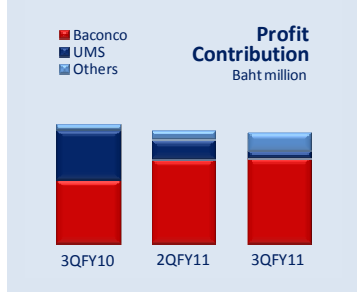
Equity income for the Transport Group continues to grow. The 33% growth qoq came from the operating results of Petrolift Inc., in which TTA owns 40%. Currently, Petrolift operates a young (eight-years-old average age) fleet of nine petroleum tankers/barges, including one liquefied petroleum gas tanker. The fleet has a total capacity of approximately 38 million litres transporting fuel oil, refined petroleum and LPG products to all major ports/depots in the Philippines.



**Group Infrastructure Highlights**



- UMS aggressively reduced its 0-5 mm coal inventory, resulting in slightly less profit contribution qoq from Group Infrastructure
- Protests in Samut Sakorn are expected to linger, but impacts should not be significant in the near term
- Baconco remains a strong profit contributor



*Slightly less contribution from Group Infrastructure because of UMS' efforts in reducing 0-5mm coal...*

Group Infrastructure generated slightly less profit contribution in 3QFY11. Besides UMS, other businesses within the Infrastructure Group (i.e. fertiliser production and distribution, warehousing and port logistics services, marine supplies and services, etc.) have all continued to generate solid results.

**UMS aggressively reduced its 0-5 mm coal inventory, resulting in slightly less profit contribution qoq from Group Infrastructure**

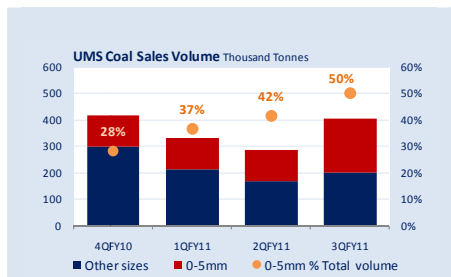
UMS reported a consolidated net profit of Baht 10 million in 3QFY11 versus a net profit of Baht 49 million in 2QFY10 and a net loss of Baht 2 million in 2QFY11. Due to different GAAP, the profit contributions to TTA however are Baht 6 million in 3QFY11, compared to Baht 15 million in 2QFY11.

*50% of total sales volumes were 0-5 mm coal, ...which has the lowest selling prices of all sizes. Margin squeeze is inevitable.*

Total coal sales volume during 3QFY11 was about 402,000 tonnes. The proportion of 0-5 mm continually increased over the past four quarters and reached 50% of total sales volume in 3QFY11. Thus, more than 200,000 tonnes were sold during 3QFY11. Sales of 0-5 mm coal however generate lower margins than classified coal, because this coal has the lowest selling prices among all sizes. The higher proportion in the total sales volume thus squeezes profit margins.

*The Granular Project helps to reduce basic 0-5 mm coal sales*

The Granular Project, which is a strategic initiative to upgrade 0-5 mm coal, produced commercially sellable volumes in 3QFY11. UMS targets granular production of at least 7,000 tonnes per month in an effort to reduce basic 0-5 mm coal sales.



**UMS Financial Results**

Baht millions	3Q FY10	2Q FY11	3Q FY11	%yoy	%qoq
Coal Sales	580	669	901	55%	35%
Total Revenue	586	676	910	55%	35%
Cost of Sales	432	533	782	81%	47%
Gross Profit	148	138	119	-19%	-14%
Gross Margins	25.2%	20.4%	13.1%		
SG&A	72	81	96	34%	19%
Financial Costs	16	20	20	21%	-1%
Net Profit/-Loss	49	-2	10	-80%	666%

*Cement and power plant are the only two industries that consume 0-5 mm coal.*

*More 0-5 mm coal sales will keep margins low.*

At the end of FY10, UMS had about 823,000 tonnes of 0-5 mm coal. Only two local industries consume this size of coal: cement and power, both of which are large-sized clients with high bargaining power. Thus, demand for 0-5 mm coal has been quite volatile throughout the year. UMS has contracts to sell more 0-5 mm coal in the next few quarters. About 50,000 tonnes of 0-5 mm coal sales per month are targeted for 4QFY11.

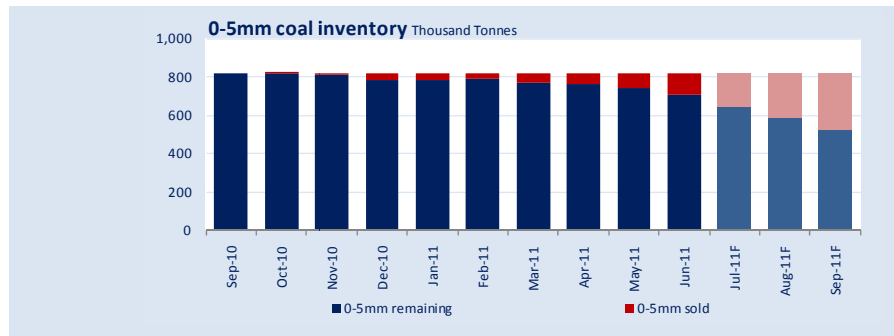


Ref No. COR:MS/EL11019e/JN

**TTA: Thoresen Thai Agencies Public Company Limited**

## **3QFY11 Earnings Release**

**Apr - Jun 2011 Quarter**



### **Protests in Samut Sakorn are expected to linger, but impacts should not be significant in the near term**

*Protests against coal business in Samut Sakorn in mid-July*

*All coal plants were ordered to cease operations.*

*A five-party committee was set up to propose solutions.*

*UMS complied with the order despite its plant and production processes are environmentally responsible...*

*...as certified by ISO 9001 and ISO 14001.*

*UMS has petitioned to resume operations, but anticipates the issue to linger.*

*Production capacity at Ayudhaya Plant has been ramped up to cover production shortfall.*

*Thus, financial impacts should not be significant.*

*Another strong quarter for Baconco, TTA's diversified investment in Vietnam.*

On July 13, 2011, a group of environmental activists and some local residents of Samut Sakorn protested against coal operations by blocking a main road passing by the province. The group claimed that some operators have not been as environmentally responsible as they should be. The provincial governor ordered all coal operators to cease their operations and established a five-party committee (the environment activists, the local resident representatives, the local environmental entities, the coal operators, and the press) to analyse the problem and propose solutions on a case-by-case basis.

Though UMS operates with high environmental standards, the order does not distinguish between good and bad operators. UMS operates a "closed" production system. The raw material shipments are discharged from barges in a covered private port onto covered conveyor belts, directly feeding the raw materials into a completely closed storage area and/or production (coal classification) area. The classified coal is put onto covered conveyor belts to be loaded directly onto trucks in a closed area for just-in-time delivery to customers. After loading, the classified coal in the back of the trucks is covered with vinyl sheets while all of the wheels are cleaned before leaving the plant. The remaining 0-5 mm coal is stored and well covered in an area where pine trees have been planted to block wind from blowing coal dusts to nearby areas. With all of these environmentally responsible measures and processes, UMS was awarded with ISO 9001:2008 in January 2009 and with ISO 14001:2004 in July 2011.

TTA expects the five-party committee to take some time to propose solutions for the governor's decision. In any case, UMS has already petitioned for permission to resume operations given that its plant should rank among the top in compliance to environmental rules and regulations. In the meantime, the shortfall in production volume in Samut Sakorn is being covered by its Ayudhaya Plant. The classified coal is being trucked to customers in Samut Sakorn from Ayudhaya. The customers have to help cover the extra transport costs. Thus, the impacts to sales volume, revenues, and margins from this incident are not expected to be significant, as the production capacity at the Ayudhaya Plant should cover at least 60% of the Samut Sakorn Plant.

### **Baconco remains a strong profit contributor**

Baconco recorded another strong quarter with Baht 729 million of revenues and net profit of Baht 68 million in 3QFY11. The robust sales were driven by high fertiliser demand in May and June. The high agricultural product prices and the



Ref No. COR:MS/EL11019e/JN

**TTA: Thoresen Thai Agencies Public Company Limited**

## **3QFY11 Earnings Release**

**Apr - Jun 2011 Quarter**

wholesalers' advance purchases in anticipation of rising raw material prices helped boost demand.

*Robust sales volume growth driven by high agricultural products.*

In 3QFY11, Baconco sold 46,021 metric tonnes of fertilisers, representing about 20% yoy growth in sales volume. For the nine-month period of FY11, a total of 143,677 metric tonnes have been sold, about 26% higher than the same period last year. Some export opportunities are also being sought to reduce currency exposure.

*Sales margins remain high even with rising costs of raw materials.*

As the raw material prices have been on the rising trend, Baconco has been able to pass on most of these costs to its customers as evidenced by its sales gross margin. This is possible, because prices of Vietnam's main agriculture exports have also been high. This trend is expected to continue in the near term.

*More land has been acquired to construct more warehouse space.*

Warehouse bookings in 3QFY11 were only at 30% of capacity, as the main warehouse underwent major maintenance during the period. The warehouse was re-opened in July, thus higher bookings and rentals are expected. In addition, more land has already been acquired for construction of warehouses and pesticide packaging unit out of Baconco's own cash reserves.





Ref No. COR:MS/EL11019e/JN

TTA: Thoresen Thai Agencies Public Company Limited

## 3QFY11 Earnings Release

Apr - Jun 2011 Quarter

### Group Energy

### Highlights

#### Group Energy Contribution



*Group Energy turns profit with positive momentum in the subsea group.*

*Not only higher subsea asset utilisation rates,*

*...but day rates have also gone up.*

*Thus margins expand.*

- Sign of recovery in subsea engineering business, but challenges remain
- MTR-2 drilling contract extended while MTR-1 was impaired
- Bright outlook for AOD
- Coal mines look promising

Group Energy turned in a modest profit in 3QFY11, contributing Baht 22 million to TTA's bottom line after five consecutive quarters of losses since the oil spill incident in the Gulf of Mexico in May 2010. The main reason is the positive momentum for Mermaid's subsea engineering business.

#### Sign of recovery in subsea engineering business, but challenges remain

Mermaid recorded a consolidated net profit of Baht 44 million in 3QFY11, contributing Baht 26 million to TTA's net profit.

Mermaid's total service income was Baht 1,454 million, an increase of Baht 573 million or 65%, from Baht 881 million during 3QFY10. The subsea engineering group had 75% asset utilisation in 3QFY11, compared to 57% in 3QFY10.

Gross profits were Baht 279 million, an increase of Baht 176 million or 171%, from Baht 103 million for 3QFY10. Average day rates showed some improvement. During 3QFY11, the subsea average day rate increased by 24%, leading to improved gross margins from 12% in 3QFY10 to 19% in 3QFY11.

The administrative expenses of Baht 174 million for 3QFY11 increased by Baht 21 million from the same period last year due to administrative expenses related to management services provided to Asia Offshore Drilling Limited ("AOD").

#### Mermaid Financial Results

Baht millions	3Q FY10	2Q FY11	3Q FY11	%yoy	%qoq
Service Income	881	1,144	1,454	65%	27%
Gross Profit	103	-60	279	171%	566%
Selling & Admin Expense	153	152	174	13%	14%
Operating Profit/-Loss <sup>1</sup>	-205	-150	90	144%	160%
Foreign Exchange Gains/-Loss	-11	0	23	303%	4852%
Net Profit (-Loss) <sup>2</sup>	-270	-215	44	116%	121%
Gross Margin	12%	-5%	19%	7%	24%
Operating Margin	-23%	-13%	6%	29%	19%

Note:

1) Included share of profits (losses) of investments in associates;

2) Net profits (losses) attributable to the parent

*Market remains challenging*

*But Mermaid is well positioned to compete.*

The subsea market outlook remains challenging. Pressure on day rates could increase as a result of increased vessel availability. New vessels are completed and joining the world-wide dive support vessel ("DSV") fleet. As a result, the market's day rates are anticipated to remain at these levels through 2011 and into 2012. Mermaid believes that its subsea group is well positioned to compete in these difficult market conditions through having the most advanced and





Ref No. COR:MS/EL11019e/JN

**TTA: Thoresen Thai Agencies Public Company Limited**

## **3QFY11 Earnings Release**

**Apr - Jun 2011 Quarter**

modern portfolio of assets in Southeast Asia; a respected operational capability and excellent safety record, and experienced management and quality people. Mermaid has strengthened its commercial and project management capabilities by recruiting two highly experienced senior managers, whose aim is to secure higher value added work for the fleet.

*MTR-2's contract with Chevron (Indonesia) has been extended.*

### **MTR-2 drilling contract extended, while MTR-1 was impaired**

On the offshore drilling side, MTR-2 was at 99.8% utilisation during 3QFY11. On July 22, Mermaid announced that it secured a drilling contract extension with Chevron (Indonesia) for MTR-2. The new contract is for a term of 270 days and has a potential value of USD 26.5 million.

*Impairing MTR-1 to lessen burden on non-revenue-generating asset...*

MTR-1, on the other hand, was off-hire during the quarter. Subsequent to the Macondo accident, it has become increasingly challenging for an older rig of age 20+ years old to get a drilling contract award. Efforts are still being made to deploy MTR-1 as accommodation barge in Indonesia. However, if these efforts fail to materialize, we would consider selling it. In such case, the sales price is not expected to be high, given its age. As such, Mermaid decided to take an impairment charge of USD 2.5 million during 3QFY11. It is important to note that other drilling companies have taken similar action in impairing their aging assets. Operating an older fleet generally entails higher operational costs and less efficiency than newer rigs. As an example, Transocean, the world's largest offshore driller, took a USD 25 million impairment against older assets in its last quarter as well.

*...in line with the industry practice*

### **Bright outlook for AOD**

*AOD's second fund raising successfully completed...*

AOD successfully completed a second round of fund raising in July 2011 and raised another USD 80 million to exercise the first of its two rig options with expected delivery for the third rig targeted for June 2013.

*...with Seadrill's participation.*

In addition, Seadrill Limited ("Seadrill"), one of the most successful drilling companies in the world, subscribed and was allocated USD 54 million. This gives Seadrill a 33.75% ownership in AOD, equal to Mermaid's. This partnership with Seadrill provides AOD with a strong platform to further develop its business.

*Construction of the three high-spec jack-up rigs commenced.*

Keppel FELS has commenced construction of the three high-specification jack-up rigs, and everything is on schedule and on budget. AOD is considering the possibility of exercising its second rig option. Any decision to exercise the second rig option would be made in conjunction with a review of other potential new build or second hand rig acquisitions.

*Risks and returns shared with like-minded co-investors*

AOD investment represents a long-term strategic intent of TTA and Mermaid to grow its drilling business in a manner that allows us to share the associated risks and returns with like-minded co-investors to benefit from the positive developments within the offshore drilling sector at a time where new-build prices for high-specification rigs are clearly rising.

AOD was listed on Oslo Axess in Norway on 15 July 2011, as we committed during the initial fund raising in November 2010.



Ref No. COR:MS/EL11019e/JN

**TTA: Thoresen Thai Agencies Public Company Limited**

## **3QFY11 Earnings Release**

**Apr - Jun 2011 Quarter**

*TTA's stake in Merton increased slightly.*

*The Philippines coal sells at robust prices.*

*Production is on track to hit 20,000 tons/month throughout 2012*

*Exploration programme well underway in Indonesia*

*Results and outcomes expected in October 2011*

### **Coal mines look promising**

Merton, another energy investment, successfully completed its USD 3.25 million fund raising in June 2011. Along with other existing shareholders, TTA (through Soleado Holdings) invested USD 1.53 million, bringing TTA/Soleado's ownership of Merton up to 24.31% from 21.18%.

This Philippines mine has continued to produce and sell coal at robust prices, with an average sales price of USD 98.50 per tonne over the past four months. The production at year-end 2011 is expected at 15,000 tonnes per month and continues to ramp towards an annual production target of 240,000 tonnes in 2012.

As for the Indonesian mine, Qing Mei also successfully completed its additional USD 1.5 million fund raising in May 2011. The three partners: TTA/Soleado, Merton, and Britmar have all participated at USD 500,000 each.

In consultation with its external consultants, Qing Mei has been focussed on an initial exploration programme and completion of a "concept study." This detailed analysis is in progress, with results and outcomes from the combined processes covering technical, logistics, marketing, and coal beneficiation targeted to be completed in October 2011.

## **The Corporate**

The Corporate represents the holding companies (including Soleado Holdings Pte. Ltd. and Athene Holdings Ltd.), which provide support in terms of finance, accounting, human resources, IT, administration, and other services. Including eliminations from intercompany transactions, the Corporate contributed Baht 89 million of profit to TTA this quarter, primarily due to gains on a USD/JPY cross currency swap of Baht 285.5 million. The swap was entered to hedge the foreign exchange risk on the M.V. Thor Fortune construction contract.

In summary, all three lines of businesses contributed positive results during 3QFY11. We are working hard to improve the fundamentals of our core businesses, while the recent diversified investments continue to contribute positively. TTA, however, is not complacent, as substantial challenges in our respective businesses remain. Prudent management decisions will be made to achieve long-term shareholder value.

Yours faithfully,

**Thoresen Thai Agencies Public Company Limited**

---

M.L. Chandchutha Chandratat  
President & Chief Executive Officer

---

Ms. Thitima Rungkwansiroj  
Executive Vice President  
Group Finance and Accounting