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16 August 2010

Subject : The 2010 Third Quarter 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 profit of Baht 185.13 million and earnings per share of Baht 0.26 for the three-month period from 1 April 2010 to 30 June 2010 (the "2010 Third Quarter" or "3Q FY 2010"). This compares with net profits and earnings per share of Baht 352.62 million and Baht 0.50, respectively for the three-month period from 1 April 2009 to 30 June 2009 (the "2009 Third Quarter" or "3Q FY 2009").

2010 Third Quarter Consolidated Results Review

Total operating revenues were Baht 4,766.02 million, total operating expenses were Baht 4,286.69 million, and thus operating profits were Baht 479.33 million. This represented a 26.51% year-on-year ("YoY") decrease from operating profits of Baht 652.21 million during the same period last year, and a fall of 11.20% quarter-on-quarter ("QoQ") for the three-month period that ended on 31 March 2010 (the "2010 Second Quarter" or "2Q FY 2010").

The breakdown of net profit contribution to TTA:

Baht millions	**3Q FY 2010**	**3Q FY 2009**	**YoY %**	**9 months of 2010**
Transport	434.42	407.68	6.56%	980.27
Infrastructure	139.24	-1.84	7,667.39%	249.25
Energy	-149.75	459.00	-132.63%	-181.47
Corporate[1]	-238.78	-512.22	53.38%	-476.61
Total	**185.13**	**352.62**	**-47.50%**	**571.44**

Note: Corporate[1] (TTA, the holding company, and includes inter-company eliminations)

2010 Third Quarter Line of Business Analysis

The Transport Group includes dry bulk shipping, a number of shipping services companies, and our recently acquired oil and gas tanker business.

The dry bulk shipping business recorded a net profit (excluding exchange loss) of Baht 462.04 million this quarter, as compared to net profit of Baht 408.18 million and net profit of Baht 561.51 million one year and one quarter ago, respectively.

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During 3Q FY 2010, the dry bulk shipping business benefited from good freight market conditions, as evidenced by our fleet time charter equivalent ("TCE") rate of USD 14,624 per vessel day, representing increases of 8.49% YoY and 10.96% QoQ. During 3Q FY 2010, the average Baltic Dry Bulk Index ("BDI") increased by 9.09% to 3,301 from an average of 3,026 in 2Q FY 2010. However, the freight markets weakened through the second half of the last quarter, including a period of 35 consecutive days of BDI declines. Thus, the BDI fell 19.75%, if compared between 1 April and 30 June 2010. The average Handysize rate was up 12.58% QoQ to USD 19,968 from USD 17,736.

Our total vessel days continued to fall, as we sold three vessels this quarter, namely M.V. Thor Transit, M.V. Thor Sky, and M.V. Thor Venture. We chartered in 873 vessel days, or 9.59 full-time equivalent vessels, in 3Q FY 2010 to offset the decrease in owned vessels. Despite a smaller fleet, total cargo volume increased to 2.77 million revenue tonnes for 3Q FY 2010, a 19.81% QoQ improvement but still a 12.27% YoY decrease.

Summary Fleet Data:

	3Q FY 2010	3Q FY 2009	YoY %	2Q FY 2010	QoQ %
Average DWT	28,578	26,935	6.10%	28,374	0.72%
Calendar days for owned fleet (1)	2,596	3,406	-23.78%	2,776	-6.48%
Available service days for owned fleet(2)	2,405	3,346	-28.12%	2,695	-10.76%
Operating days for owned fleet (3)	2,367	3,268	-27.57%	2,653	-10.78%
Owned fleet utilisation (4)	98.42%	97.67%	0.75%	98.44%	-0.02%
Voyage days for chartered-in fleet	873	1,355	-35.57%	660	32.27%
Average number of vessels (5)	35.60	50.80	-29.92%	36.81	-3.29%

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(1) less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
3) Operating days are the available days (2) 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.

Average Daily Operating Results[1] (USD/Day)

	3Q FY 2010	3Q FY 2009	YoY %	2Q FY 2010	QoQ %
USD/THB Rate (Daily Average)	32.38	34.73	-6.77%	32.91	-1.61%
Time charter equivalent (TCE Rate)[1]	$14,624	$13,480	8.49%	$13,180	10.96%
TCE Rate of Owned Fleet	$15,381	$11,932	28.91%	$13,411	14.69%
TCE Rate of Chartered-In	-$757	$1,548	-148.90%	-$231	-227.71%
Vessel operating expenses (owner expenses)[1]	$5,343	$4,432	20.56%	$4,132	29.31%
Dry-docking expenses	$1,386	$1,292	7.28%	$1,398	-0.86%
General and administrative expenses	$1,470	$1,605	-8.41%	$1,537	-4.36%
Financial costs	$117	$666	-82.43%	$36	225.00%
Depreciation	$3,155	$2,519	25.25%	$2,876	9.70%
Income taxes	$21	$19	10.53%	$72	-70.83%
Operating earnings[1]	$3,132	$2,947	6.28%	$3,129	0.10%

Note: [1] The per day basis is calculated based on available service days.

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Owner expenses increased 20.56% YoY and 29.31% QoQ. The causes of this increase are:

a) Additional insurance premium calls made by P&I clubs on its members in 3Q FY 2010;
b) Inconvenient locations for replacement of spares and stores;
c) Expensive dry-docking and repairs to one vessel in the US Gulf;
d) One-time vessel upgrades to two vessels.

During 3Q FY 2010, the total cash received for the three vessels sold to third parties amounted to Baht 465.59 million. The combined accounting gains from the sales of these three vessels amounted to Baht 185.31 million, or Baht 173.65 million after taxes. For the first nine months of 2010, the total cash received from the disposal of nine vessels was Baht 1,048.02 million and after tax gains were Baht 354.96 million.

A smaller provision for doubtful debts of about Baht 10.82 million was taken this quarter, making a total of Baht 100.66 million for the first nine months of FY 2010. The net profit in 3Q FY 2010 was 17.71% lower than 2Q FY 2010, because a gain on currency swap of about Baht 163.51 million was booked during 2Q FY 2010. Without this gain on currency swap, the net profit would have increased 16.09% QoQ, even with lower vessel days.

We equity accounted Baht 24.16 million of net profit from Petrolift Inc. ("Petrolift"). In April 2010, we acquired a 38.83% stake and entered into a strategic partnership with this Philippine company. Currently, Petrolift owns nine (9) double-hull tankers/barges plus one (1) LPG tanker, with a total capacity of approximately 190,000 barrels. Almost all Petrolift's fleet capacity is under term contracts ranging from 3 to 12 years with the three major oil and gas companies in the Philippines.

Market Outlook for Dry Bulk Shipping Services:

On the demand front, China's slower imports were the major cause for the downward trend of the BDI in the past few months. Going forward, we do not expect a strong recovery in Chinese imports. First, the Chinese steel market is still experiencing soft margins, although steel prices have recovered slightly as inventories have lowered. Steel output is unlikely to increase, as the industry will try to avoid an oversupply situation amid the tightening of loans to curb real estate speculation. Second, China achieved a record high domestic iron ore production of about 102 million metric tonnes ("mmt") and has record high port inventories of about 79 mmt at the end of July 2010. Third, coal imports are limited, as domestic mines are selling at competitive prices and coal inventories are considerably high for now.

As for the rest of the world, demand is expected to grow, albeit at a lacklustre rate. For the first six months of 2010, crude steel production for the 66 countries reporting to the World Steel Association ("Worldsteel") was 706 mmt, 27.9% higher in comparison to the same period in 2009. However, in the last month, the world crude steel capacity utilisation has declined to 80.6% from 82.0% in May 2010.

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The grain market in the South Atlantic is active, but import volumes have declined by 7.6% YoY. The ban on Russian exports of wheat starting from August to December this year will have a negative impact on the Black Sea trade. However, the market views that the global crop should continue to have good harvests especially from North and South America. Consequently, seaborne grain could support demand.

On the supply side, *Fearnleys Fleet Update June 2010* reported that 397 vessels and 33.704 million DWT were delivered during the first six months of 2010. This represents 35.26% and 36.98% of the 2010 scheduled vessels and DWT order book, respectively. For the second half of 2010, a new build order book of 1,126 vessels and 91.139 million DWT, equivalent to 55.65% of the current dry bulk fleet, remains. However, we doubt that they will be fully delivered within this year. In other words, deliveries are expected to push out further to 2011 and 2012. Considering the total order book of new build vessels in 2011 is 1,220 vessels, equivalent to 109.389 million DWT, we thus maintain our belief in a significant oversupply situation. In summary, we expect dry bulk earnings to remain flat or decline in the coming months.

Our new build plans including three new build vessels from Vinashin and one new build vessel from Oshima should be delivered in 2011 and 2012. The total investment costs for the four vessels are approximately USD 163 million. Within the next three years, our strategic goal is to have a fleet of approximately forty (40) owned and chartered-in vessels, and we prefer to own most of our vessels. Therefore, we will continue to seek opportunities to buy more second-hand vessels, similar to our recent acquisition of the M.V. Thor Achiever, which was delivered to its original owner in early 2010, but at more reasonable prices. The general observation is that second-hand prices of modern Supramax vessels have fallen about 5% for the past two months. Using information from The Baltic Exchange, the value of a five-year Supramax vessel was USD 30.70 million as of 9 August 2010.

The Infrastructure Group consists of a coal logistics business, fertiliser and logistics business, third party logistics business, and ship supply and warehouse businesses.

UMS recorded a consolidated net profit (excluding unrealised foreign exchange losses from the forward contract) of Baht 43.10 million for 3Q FY 2010 and contributed Baht 38.60 million of net profit to TTA’s financial results.

Analysis on UMS’ 1 April – 30 June 2010 Financial Results:

	Year end – September 30				
Baht million	**Apr – Jun 2010**	**Apr – Jun 2009**	**YoY (%)**	**Jan - Mar 2010**	**QoQ (%)**
Coal Sales	579.64	636.10	-8.9%	564.35	2.7%
Total Revenue	585.72	640.05	-8.5%	571.05	2.6%
Cost of Sales	431.94	490.62	-12.0%	491.07	-12.0%
Gross Profit	147.70	145.48	1.5%	76.23	93.8%
SG&A	71.84	57.06	25.9%	71.16	1.0%
Financial Costs	16.43	13.69	20.0%	16.52	-0.5%
Net Profit/-Loss	49.32	83.87	-41.2%	-9.59	na

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To better reflect underlying performance, UMS chose to apply a more refined product-specific costing method from January 2010 onwards and recorded the necessary adjustments in 3Q FY 2010. Had the impact in 2Q FY 2010 been restated in that quarter's financial statements, the financial results for the two quarters: 2Q and 3Q FY 2010 would have been as shown below. However, the results for January to June 2010 will remain unchanged.

Selected Financial Results – Restated for Comparative Purpose[(1)]

Baht million	Apr – Jun 2010	Jan – Mar 2010
Restated Gross profit	119.22	107.17
Restated Net profit	23.46	16.27

Note [(1)]: Financial results were restated for the refined product-specific costing method for 2Q and 3Q FY 2010 only. Thus, financial performances recorded in FY 2009 are not comparable.

UMS' earnings improved from last quarter but remain lower than the same period last year due to the following reasons:

a) Revenue of coal sales increased 2.71% QoQ, as a result of an increase in average selling prices and coal volumes. However, revenues fell 8.90% YoY as sales volumes fell 3.00%.
b) Restated gross margins improved to 20.35% as compared to 18.77% one quarter ago.
c) SG&A expense increased 25.90% YoY as a reversal of losses in inventory value was recorded last year. Striping out the one-time extraordinary item, the SG&A expense experienced a small 2.83% YoY increase.
d) Income tax expenses were Baht 16.10 million this quarter compared to Baht 4.69 million for the same period last year. The higher taxes are due to two reasons. First, there was a tax deductable expense on certain eligible investments in fixed assets last year. Second, UMS is accruing corporate income taxes of 30%, as the 20% subsidised tax rate for listing on the Market of Alternative Investment expired at the end of 2009.

Market Outlook for UMS' Business and Operations:

1. We expect UMS' average coal sales prices to either stabilise or increase over the next few months, in line with market conditions.
2. UMS experienced improvement in coal sales to cement plants during the last quarter, and with cement production increasing in the second half of 2010, we expect that plants will purchase more coal.
3. Many public infrastructure projects have been re-activated, and most small to medium-sized companies are reporting sales growth as local and international economies recover.

Baconco contributed Baht 526.41 million of sales, gross profit of Baht 82.43 million, and net profit of Baht 51.08 million to our Infrastructure Group this quarter.

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Baconco's Financial Results:

Baht million	**1 Apr – 30 Jun 2010**	**1 Oct 2009 – 30 Jun 2010**
Net sales	526.41	1,668.01
Gross profit	82.43	291.99
Net profit after taxes	51.08	181.89

Baconco sold 38,424 metric tonnes of fertilisers in 3Q FY 2010 and 113,831 metric tonnes for the first 9 months of FY 2010. The main season for fertiliser sales is from March to June or July every year. Gross margins in 3Q FY 2010 improved significantly to 15.66% as compared to 11.13% during 3Q FY 2009.

During 3Q FY 2010, Baconco had a 63.10% average utilisation rate of its intended warehousing capacity for logistics, compared to 90.35% in the last quarter. The third quarter is usually peak season for fertiliser production, and thus the facility was used for our own fertiliser storage. In July 2010, the warehousing capacity is once again fully utilised. Given that Baconco started its warehousing service in January 2010, for the six months period that ended in June 2010, Baconco booked a total of 110,483 metric tonnes (an average of 76.72% of total capacity) of warehousing services.

The Energy Group comprises an offshore oil and gas services business and coal mining business.

Mermaid Maritime Public Company Limited ("MMPLC") recorded a consolidated 3Q FY 2010 net loss of Baht 262.08 million and thus TTA consolidated a net loss of Baht 149.75 million. MMPLC reported a net loss of Baht 317.59 million and contributed a net loss of Baht 181.47 million to our financial results for the first 9 months of the year.

Mermaid Offshore Services Ltd. ("MOS"): The utilisation of assets in the subsea engineering segment was 56.59% during this quarter, which was lower than the 64.05% utilisation rate a year ago. However, the utilisation rate of our four DP2 dive support vessels ("DSV"), which provide the highest revenues and profits, was only 35.70%. Average day rates fell by 22.80% YoY, but improved 41.56% QoQ, suggesting a bottoming out of day rates.

MOS' service income was supported by Baht 54.90 million from 80%-owned Seascape Group and Baht 88.36 million from 97%-owned Subtech Ltd. ("Subtech"). Seascape and Subtech contributed Baht 3.72 million and Baht 42.33 million of gross profits to MOS, respectively.

Mermaid Asiana and Mermaid Siam were delivered in the last quarter, and additional depreciation expenses of Baht 20.92 million were charged to MOS this quarter. Mermaid Endurer was delivered at the end of June this year.

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In July 2010, MMPLC sold its 25% shareholding in Worldclass Inspiration Sdn. Bhd. (“WCI”). WCI is an investment holding company whose sole asset is ninety percent (90%) of the shares in Allied Marine & Equipment Sdn. Bhd. (“AME”), a Petronas licensed provider of subsea engineering services to the offshore oil and gas industry incorporated in Malaysia. We expect approximately USD 23.4 million of proceeds from the divestment and a gain of about USD 11.9 million to be recognised in the fourth quarter of FY 2010.

The Market Outlook for the Subsea Engineering Services:

We continue to observe and answer enquiries from clients, particularly in relation to our DP2 DSVs. We presently have a reasonable volume of tenders outstanding across several geographical areas such as North Sea, Middle East, Thailand, Indonesia, Vietnam, China, and India. In some cases, we have made progress to the final round. Unfortunately, results were slow across the board with respect to contract awards, as many of these submitted tenders remain outstanding or have long validity periods.

Day rates continued to be under pressure, as vessel availability increases but immediately available contracts are limited. However, we anticipate that as more contracts begin to be awarded thus reducing vessel availability, day rates should begin to normalise again.

Today, we have completed our new build program and reached a critical fleet size of eight vessels, half of which are now DP2 DSVs. We expect to secure more work for our fleet including potentially some longer-term charters ranging from two to five years.

Mermaid Drilling Ltd. (“MDL”): Drilling utilisation rate is still 50.00% in 3Q FY 2010, as only MTR-2 was working as compared to two rigs a year ago.

During 3Q FY2010, MTR-1 did not contribute any income. In July 2010, MTR-1 was awarded an accommodation barge contract in the Middle East. MTR-1 commenced mobilisation to its destination on 11 August 2010 and expects to be working for a minimum of 160 days, including mobilisation and demobilisation time. The contract value is approximately USD 3.2 million.

MTR-2 continues to operate for Chevron (Indonesia) in Indonesia under a new drilling contract awarded this quarter at a higher day rate. This new contract is for a period of nine months ending March 2011. Utilisation of this rig continues to remain at near full levels. Although the age of the MTR-2 is around the same as MTR-1, the MTR-2 underwent refurbishment and upgrades in 2006-2007 and thus remains competitive and continues to be contracted during this time.

Due to construction issues and delivery delays surrounding the construction of the new build tender rig KM-1, we decided to divest our interests in this project to our Malaysian co-shareholders this quarter. The amount of loss from the sale is USD 7.35 million. The sales proceeds and inter-company loan repayments have been received in full and are now available to fund future investment opportunities within our drilling business.

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The Market Outlook for the Drilling Services:

A reasonable utilisation rate is still observed for tender rigs. As oil prices stabilised and move upwards in line with the global economic recovery, additional requirements for tender rigs as well as other types of drilling rigs are inevitable. Day rates should also stabilise.

It remains challenging for MTR-1 to secure drilling contracts subject to prevailing market conditions. We nevertheless continue to search for potential drilling contracts if and when they become available that is suitable for MTR-1. However, based on potential client enquiries, we believe that there is additional accommodation barge work available in the Middle East for the MTR-1 beyond the initial contract.

Given the general anticipation of an improvement in demand and supply conditions in the medium to long term, we believe any new investment made during this period will cost less than if such projects were entered later in the future. Moreover, we observed that clients showing a preference for newer equipment and the rising availability of shipyards for construction of new build rigs. We therefore have begun more aggressively reviewing opportunities for future acquisition of drilling assets (both second-hand and new build). However, we must secure client contracts in advance against any acquisitions. We also may consider other drilling businesses that will utilise funds from our recent rights issue and sales proceeds.

There has been recent news highlighting the risk of offshore oil and gas drilling, particularly in the Gulf of Mexico. Health, safety, and environmental (“HSE”) issues remain a key focus in our operations. In this regard, the MTR-2 had recently achieved one year period of no loss time accident, having previously maintained a record seven-year period of no loss time accident, and our HSE standards and performance continue to be in line with global industry best practices.

The Corporate is the holding company, which provides support in terms of finance, accounting, human resources, IT, administration, and other services. This quarter, it had a negative contribution of Baht 238.78 million to TTA, compared to a profit of Baht 5.80 million last quarter. This is primarily due to foreign exchange losses and interest expenses of Baht 43.05 million and Baht 77.01 million, respectively. The gains on exchange rates a year ago and a quarter ago were Baht 62.04 million and Baht -132.75 million, respectively.

Cash and cash equivalents decreased by Baht 4,171.27 million during the first nine months of FY 2010 to Baht 6,547.62 million as of 30 June 2010. The major acquisitions for the nine months period are: a) acquisition of UMS; b) final payment for M.V. Thor Friendship; c) acquisition of Mermaid Siam, Mermaid Asiana, Mermaid Sapphire, and Mermaid Endurer; and d) acquisition of Petrolift.

We have proactively sought new funding sources and plan to refinance the first tranche of our convertible bond issue maturing 24 September 2010 with our recent Baht 4 billion bond issue.

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Over the past eighteen months, TTA has expanded into other businesses to ensure a more balanced and diversified earnings profile, as the fundamentals of the dry bulk shipping business weakened. Baconco has made positive profit contributions, and UMS has shown clear signs of recovery. We expect MMPLC to recover over the next few quarters and should once again yield profitable results to our business group.

Yours faithfully,
Thoresen Thai Agencies Public Company Limited

M.L. Chandchutha Chandratat	Ms. Thitima Rungkwansiriroj
President & Chief Executive Officer	Executive Vice President
	Group Finance and Accounting

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