



THORESEN GROUP



**Thoresen Thai Agencies Plc.**  
**Annual General Meeting of Shareholders No. 1/2010**  
**29 January 2010**

PATH  
of SUCCESS



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# Agenda for consideration and approval



To certify the minutes of the previous 1/2009 AGM held on 30 January 2009



To acknowledge TTA's performance for the financial year that ended on 30 September 2009 and to certify the 2009 Annual Report



To approve the audited balance sheet, the profit and loss statement, and the statement of retained earnings for the financial year that ended on 30 September 2009



To approve the payment of cash dividends for the financial year that ended on 30 September 2009 and appropriation of a legal reserve



To approve re-election of retiring directors for another term



To approve the appointment of auditors for the financial year that will end on 30 September 2010 and fix the auditors' fees

# Agenda for consideration and approval (cont'd)



To approve the reduction of share capital and corresponding amendment to Clause 4 of the Memorandum of Association



To approve the increase of share capital and corresponding amendment to Clause 4 of the Memorandum of Association



To approve the allotment of new ordinary shares



To approve the issuance of up to 4,000,000 warrants to the directors and employees of Mermaid Maritime Public Company Limited and its subsidiaries under ESOP scheme



To transact any other business (if any)



# Minutes of the Ordinary General Meeting of Shareholders No. 1/2009



- ◆ Meeting held on 30 January 2009, with a quorum of 33.87% of total paid-up share capital.
- ◆ Key highlights of 1/2009 AGM:
  - Excellent financial performance - highest-ever revenues and net profits; improved balance sheet, and several investment and financing initiatives were implemented to position TTA for future growth.
  - a) Cash dividend of Baht 2.25 per share.
  - b) Stock dividend at the ratio of ten existing shares to one stock dividend share with a par value of Baht 1 (one) per share, equivalent to Baht 0.10 per share.
  - Renominated two members of our Board of Directors, Dr. Pichit Nithivasin and Dr. Siri Ganjarerndee, and nominated one new member, Mr. Aswin Kongsiri.



# Minutes of the Ordinary General Meeting of Shareholders No. 1/2009 (cont'd)



The Board recommends shareholders to certify the  
Minutes of 1/2009 AGM

**Required approval: 51%**



# TTA's performance and financial statements for FY 2009



## TTA's financial results were down ...

- ◆ Declines in profits across all three business segments, a reflection of the tough operating environment:
  - Due to significant drops in dry bulk shipping demand, we saw:
    - 56.6% decrease in average TC rates for TTA fleet to US\$ 10,973 per day;
    - 15.9% drop in total dry bulk vessel days to 19,331 (14,308 days for owned fleet + 5,023 days for chartered-in fleet);
    - 31.9% fall in cargo volume to 11.72 million revenue tonnes.
  - 92.5% deterioration in dry bulk shipping's net profit to Baht 623.7 million.
  - Due to significant volatility in oil prices, many offshore service projects were either cancelled or delayed, so we experienced:
    - Lower fleet utilisation of subsea engineering vessels at 52.6%;
    - 38.8% fall in subsea revenue rates to US\$ 31,361 per calendar-ship-day.
  - The drilling business, however, showed highly positive results:
    - Exceptionally strong utilisation rate of our drilling rigs at 94.9%;
    - 69.5% surge in drilling revenue rates to US\$ 87,315 per calendar-rig-day.
  - Mermaid posted a 15.8% decline in net profits to Baht 701.61 million, and contributed Baht 400.90 million to our consolidated net profit.



## TTA's performance and financial statements for FY 2009 (cont'd)



### TTA's financial results were down ...

- Our shipping services businesses were mixed but generally followed the overall trends of the dry bulk shipping market.
  - 46.81% fall in net profits for Fearnleys (Thailand) Ltd to Baht 50.10 million due to weakened freight rate environment;
  - 37.08% plunge in net profit for Thoresen Shipping FZE (TSF) to Baht 97.79 million mainly due to lower cargo volumes into the Middle East.
  - 287.91% surge in net profits for ISS Thoresen Agencies Ltd to Baht 53.78 million as clients opted for safety;
  - 52.22% increase in net profit for PT Perusahaan Pelayaran Equinox to Baht 12.01 million as it offered additional dry bulk shipping services;
  - 27.17% improvement in net profit for Thoresen (Indochina) S.A. to Baht 37.21 million as it grew its revenue base in different areas.
- Our shipping services businesses contributed Baht 221.71 million to our consolidated net profit.





## TTA's performance and financial statements for FY 2009 (cont'd)



### TTA's financial results were down ...

- ◆ Two extraordinary items in FY 2009:
  - Baht 676.3 million gain from repurchase of our convertible bonds;
  - Baht 287.2 million negative goodwill arising from acquiring Baconco as our price was below its book value.
- ◆ 79.3% drop in our consolidated net profit to Baht 1,813.71 million.
- ◆ Despite falling earnings, TTA still has a very strong balance sheet. We started 2009 with equity capital of Baht 29,215 million (69% of total assets) and ended at Baht 31,091 million (75% of total assets).



# TTA's performance and financial statements for FY 2009 (cont'd)



## Financial Highlights

Baht millions	FY 2009	FY 2008	YoY %
Revenues	20,465.80	35,177.76	- 41.82
Gross profit	5,844.35	13,741.20	- 57.47
Adjusted EBITDA <sup>1</sup>	3,973.06	11,713.87	- 66.08
Financing cost/-income (net) <sup>2</sup>	- 159.68	414.14	+ 138.56
Net profit	1,813.71	8,776.44	- 79.33
Cash and marketable securities	11,822.56	11,990.56	- 1.40
Vessels and equipment – net of depreciation	11,759.45	13,631.94	- 13.74
Gross debt	6,986.79	8,068.55	- 13.41
Total shareholders' equity	31,091.44	29,215.10	+ 6.42

Source: TTA

<sup>1</sup> Adjusted to exclude one-off gains/losses

<sup>2</sup> Finance costs include interest expenses, losses from oil hedging, commitment fees from loans, fees for foreign currency collar contracts offset with interest income and gains on convertible bonds cancellations



# TTA's performance and financial statements for FY 2009 (cont'd)

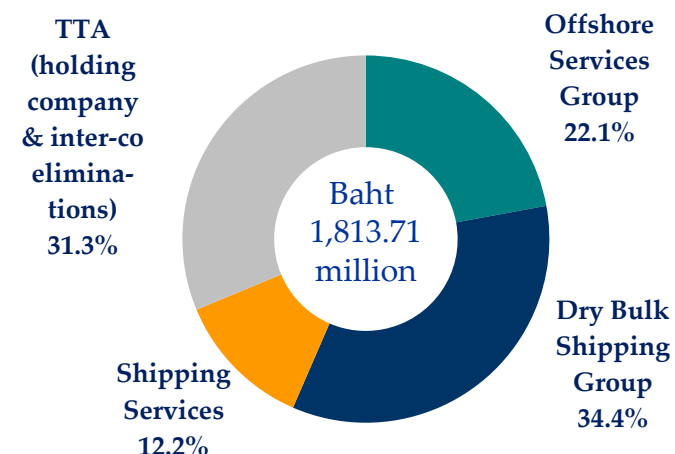


(Baht millions)

Business Group	FY 2009		FY 2008		YoY %	
	Revenues	Net profits	Revenues	Net profits	Revenues	Net profits
Dry bulk shipping	14,794	624	28,940	8,310	- 49%	- 92%
Offshore services	5,259	401	5,612	573	- 6%	- 30%
Shipping services	1,187	222	1,040	253	+ 14%	- 12%

Note: The above figures include FX gains/losses and Minority Interests

## TTA FY 2009 Net Profit Contribution



Note: The above figures include FX gains/losses but exclude minority interests

A better balanced and diversified earnings base



## TTA's performance and financial statements for FY 2009 (cont'd)



### TTA's strategies are ...

- ◆ To create a balanced and diversified business portfolio across Transport, Energy, and Infrastructure Groups.
- ◆ We established medium-term growth targets through 2013, prioritised investment opportunities, redesigned the corporate structure, and improved management control and business support systems.
- ◆ Energy and Infrastructure Groups expanded with the following acquisitions:
  - Acquisition of 100% of Nemo Subsea IS, the major owner of Mermaid Asiana;
  - Acquisition of 21.18% of Merton Group (Cyprus) Ltd;
  - Acquisition of 100% of EMC Gestion S.A.S., the sole shareholder of Baconco;
  - Acquisition of 89.55% of Unique Mining Services Public Company Limited.



# TTA's performance and financial statements for FY 2009 (cont'd)



## New acquisitions are...

	Business Group	Investment Cost (Baht millions)
100% of Nemo Subsea IS, major owner of Mermaid Asiana	Energy	454.30
21.2% of Merton Group (Cyprus) Ltd.	Energy	169.65
100% of EMC Gestion S.A.S., the sole shareholder of Baconco	Infrastructure	374.07
89.6% of Unique Mining Services Public Company Limited	Infrastructure	3,129.91 <sup>1</sup>

Source: TTA

<sup>1</sup>: Total amount paid for shares only



## TTA's performance and financial statements for FY 2009 (cont'd)



### TTA's strategies are ...

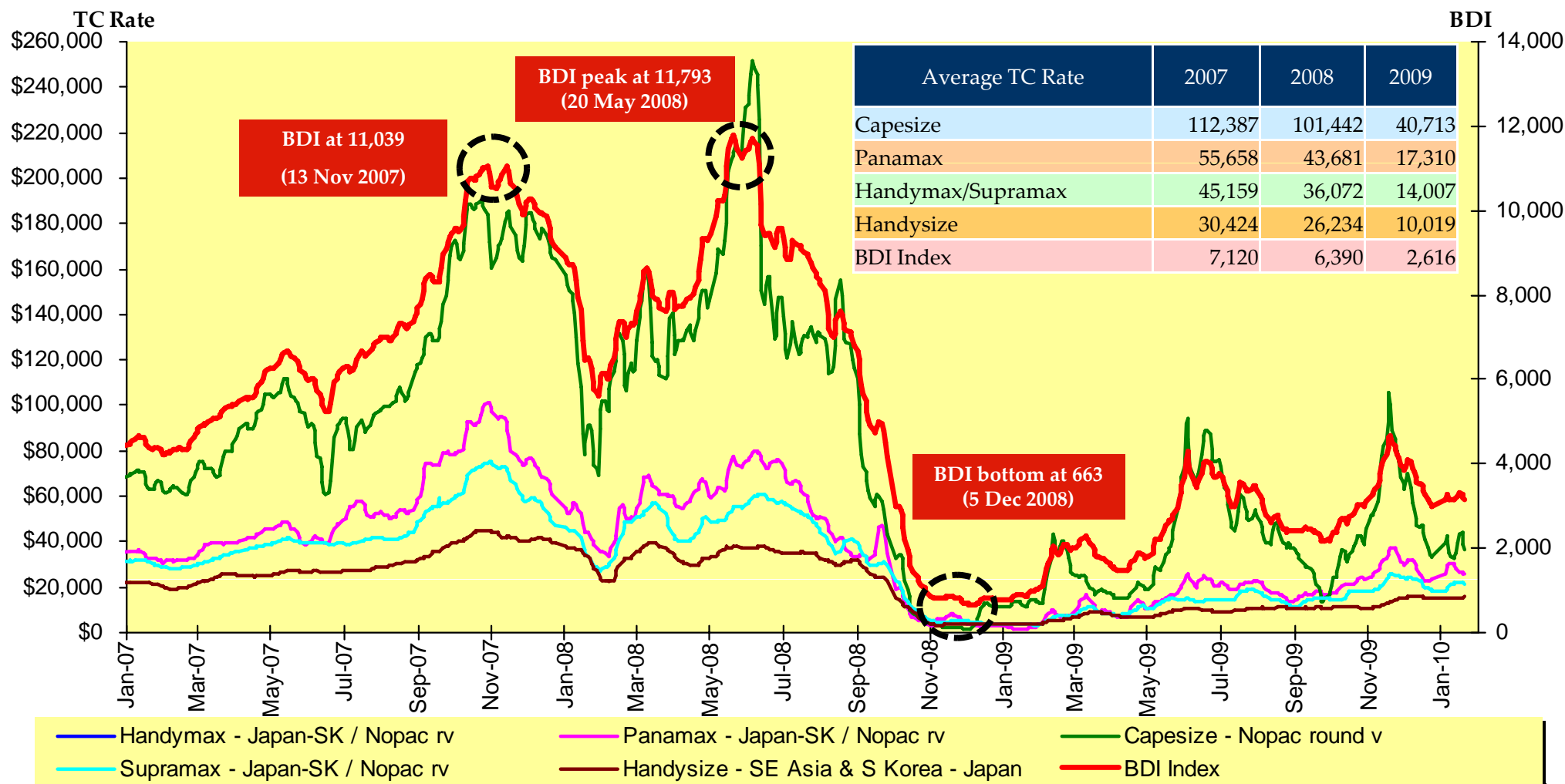
- ◆ We repurchased US\$ 56.4 million of our convertible bonds at an average of 65.87% of their par value.
- ◆ In November 2009, we secured a three-year US\$ 200 million credit facility and Mermaid completed a 9 for 20 rights offering to existing shareholders and raised SG\$ 156 million.
- ◆ In 2009, we scrapped and sold a total of 8 vessels (18.18% reduction of our owned fleet ownership) and recorded Baht 33.51 million of profits.
- ◆ In mid 2009, we sold Thai P&I Services International Ltd., a local correspondent for protection and indemnity clubs, for Baht 10.40 million.
- ◆ During 2009, we further rationalised our assets to exclude non-core businesses by disposing Asia Coating Services Ltd., which provides industrial coating services.
- ◆ In August 2009, we officially dissolved Darium Thai Offshore Ltd., a 51% subsidiary of Mermaid, as we moved away from the ownership of basic offshore services vessels.



# TTA's performance and financial statements for FY 2009 (cont'd)



## Baltic Dry Index Performance



Source: Baltic Exchange Limited



# TTA's performance and financial statements for FY 2009 (cont'd)



Size	World Current Fleet (incl. Delivery in Dec 2009)			Total Order Book in Dec 2009 (will be delivered on 2010 – 2012+)		
	No.	DWT '000	%	No.	DWT '000	% of Current Fleet
10-40	1,072	19,937	4.40%	45	853	0.19%
40-60	2,748	99,814	22.04%	659	22,152	4.89%
60-100	850	45,797	10.11%	807	45,672	10.09%
100-150	1,640	121,333	26.80%	700	56,391	12.45%
150+	936	165,942	36.65%	720	138,876	30.67%
<b>Total</b>	<b>7,246</b>	<b>452,823</b>	<b>100.00%</b>	<b>2,931</b>	<b>263,944</b>	<b>58.29%</b>

Source: Fearnleys Fleet Update, December 2009

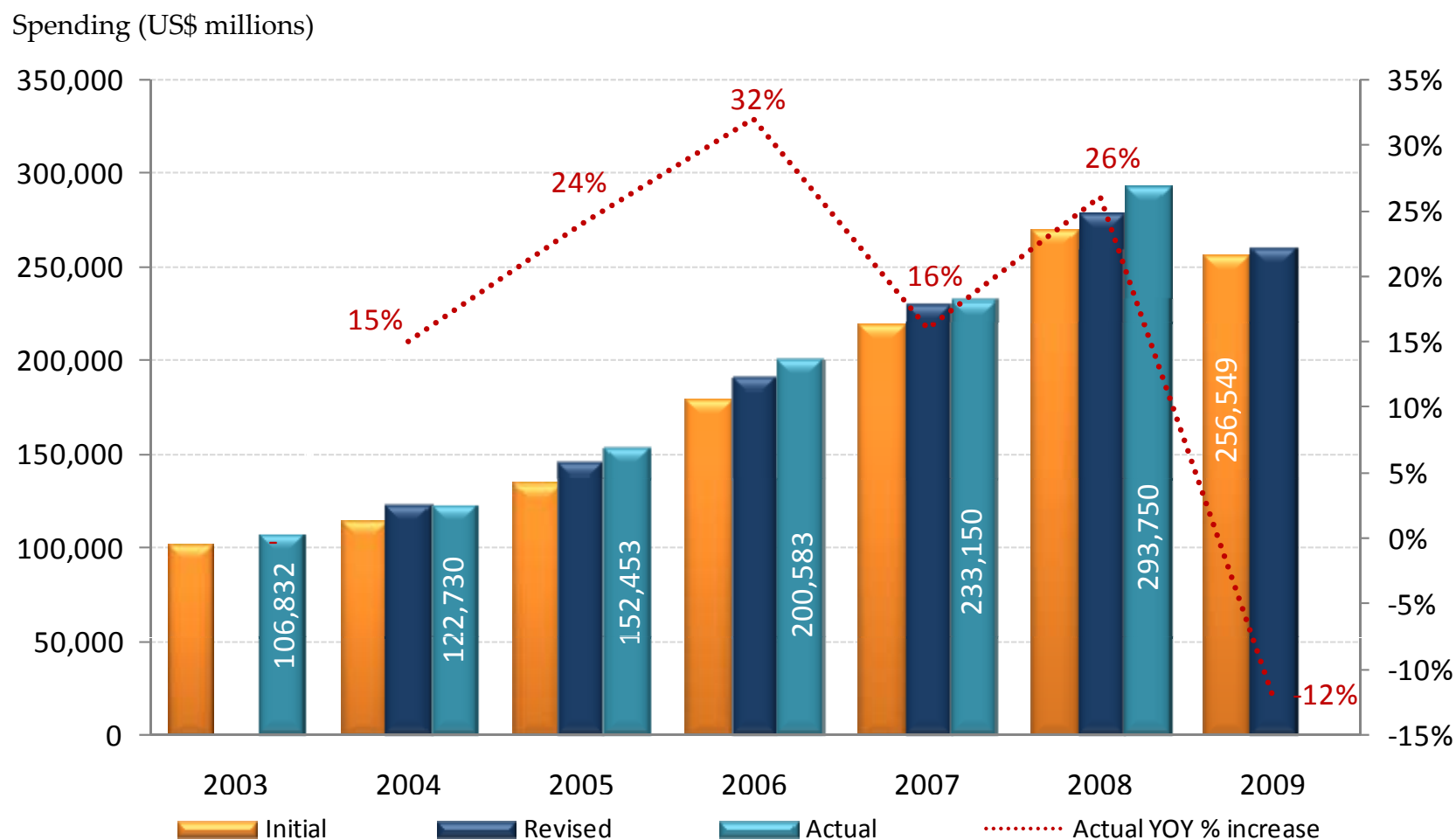




# TTA's performance and financial statements for FY 2009 (cont'd)



## E&P Budget Survey



Source: FearnleyFonds



## TTA's performance and financial statements for FY 2009 (cont'd)



- ◆ The Board recommends the Company's performance for FY2009 be acknowledged and the 2009 Annual Report be certified

**Required approval: 51%**

- ◆ The Board recommends the Company's audited financial statements be approved

**Required approval: 51%**



## To approve the payment of cash dividends and appropriation of a legal reserve



- ◆ To approve an appropriation of a legal reserve of Baht 6.5 million to attain the legal reserve requirement of 10% of the present registered capital of Baht 933,052,865 before the dividend payment.
- ◆ To approve an annual dividend payment of Baht 0.54 per share to shareholders, whose names appeared on share register book as of 8 February 2010.
- ◆ Annual dividends shall be made on 23 February 2010.

The Board recommends shareholders to approve the appropriation of a legal reserve and the annual dividend payments



## To approve the payment of cash dividends and appropriation of a legal reserve (cont'd)



- ◆ TTA had a cash and short term investments balance of Baht 11,822.56 million as of 30 September 2009.
- ◆ With recent acquisitions, the cash and short term investments balance has fallen to Baht 9,437.78 million as of 31 Dec 2009.
- ◆ In addition, TTA remains uniquely positioned to opportunistically acquire sound assets or companies at attractive prices.
- ◆ The board and management believe it is for TTA's best interest to conserve its cash position to prepare the company for the multi-year downturn in the dry bulk business and any potential acquisition opportunities going forward.

Prudent approach to dividend payment in light of potential acquisition opportunities

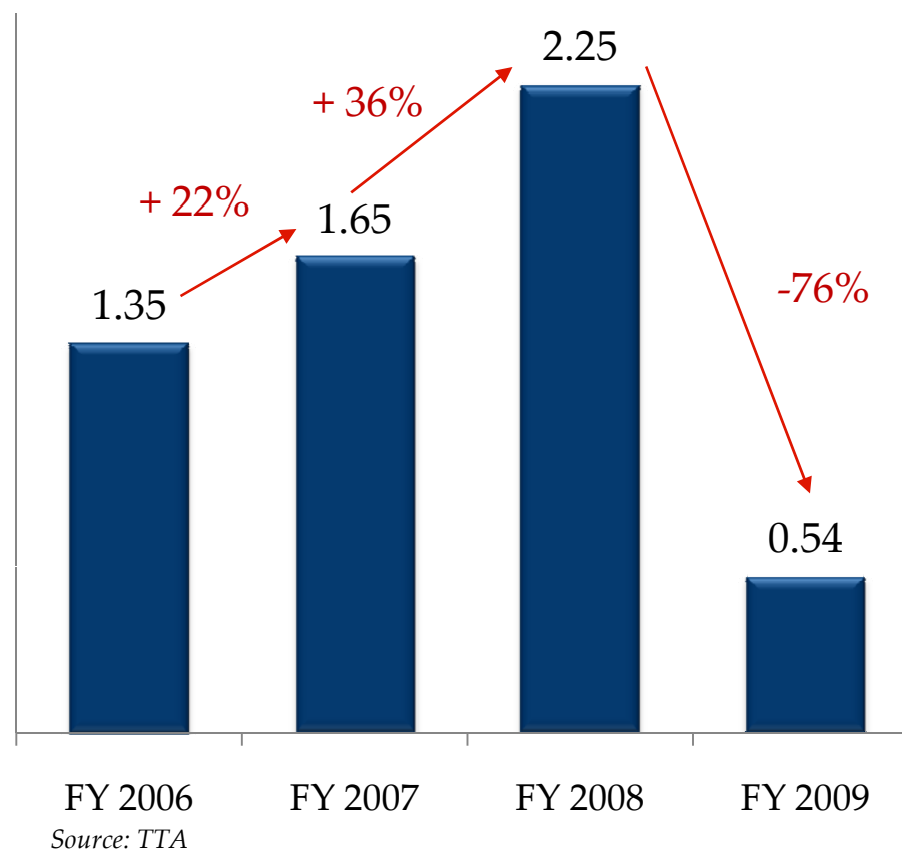


## To approve the payment of cash dividends and appropriation of a legal reserve (cont'd)



- ◆ The FY 2009 dividends are proposed as follows:
  - An annual cash dividend of Baht 0.54 per share.
  - TTA has a policy to pay annual dividends of not less than 25% of our consolidated net profit (excluding gains/losses on exchange rates; in FY 2009, we excluded the negative goodwill).
  - FY 2009 dividend is 25.06% of adjusted consolidated net profit of Baht 1,525.35 million.

Cash dividend per share (Baht)



FY 2009 cash dividend is 25.06% of TTA's adjusted net profit



# To approve the payment of cash dividends and appropriation of a legal reserve (cont'd)



## Dividend payment calculation

Baht	FY 2009
Reported net profits	1,813,706,088
Less Negative goodwill	- 287,211,220
Less Foreign exchange gains	-1,141,154
Adjusted net profits	1,525,353,714
Number of shares	708,004,413
Dividend payment per share	0.54
Dividend payout ratio	25.06%

	Key Dates
XD	4 February 2010
Record date	8 February 2010
Share register book closing date	9 February 2010
Cash dividend payment date	23 February 2010

Source: TTA

TTA follows the approved dividend policy, and shareholders will receive total cash dividends of Baht 0.54 per share.



## To approve the payment of cash dividends and appropriation of a legal reserve (cont'd)



The Board recommends shareholders to approve  
annual cash dividend payments

**Required approval: 51%**



# To approve re-election of retiring directors for another term



## Details of recommendations

### Directors

**Mr. Stephen Fordham**



- First appointed as TTA director in 2007;
- Actively working as the Chairman of the Nomination Committee and completed many assignments designated by the Board;
- Good background in shipping and offshore services.

**Mrs. Pratana Mongkolkul**



- First appointed as TTA director in 2007;
- Strong value added as a financial and accounting expert and provides the most updated financial and accounting information to the Board;
- Strong in her business thinking and visions;
- Actively working as the Audit Committee Chairperson.





# To approve re-election of retiring directors for another term (cont'd)



## Details of recommendations

### Directors

**Mrs. Joey Horn**



- First appointed as TTA director in 2008;
- Mermaid director since 2009;
- Good background in finance and offshore services.

**Mr. Terje Schau**



- First appointed as TTA director in 2009;
- Good background in shipping.



## To approve re-election of retiring directors for another term (cont'd)



The Board recommends shareholders to re-elect the retiring directors for another term

**Required approval: 51%**



## To approve the appointment of auditors for financial year ending on 30 September 2010 and fix the auditors' fees



- ◆ The Audit Committee has nominated three auditors from PricewaterhouseCoopers ABAS Limited as the auditors for the financial year that will end on 30 September 2010:
  - Mr. Kajornkiet Aroonpirodkul      CPA No. 3445 (existing auditor)
  - Mr. Chanchai Chaiprasit              CPA No. 3760 (new auditor)
  - Mrs. Nattaporn Phan-Udom          CPA No. 3430 (existing auditor)
- ◆ The proposed auditors' fee is Baht 3.16 million (6.58% increase from the auditors' fee in FY 2009) for audits of TTA's consolidated and non-consolidated financial statements for FY 2010.
- ◆ The increased audit fee is in line with the business expansion of TTA.



## To approve the appointment of auditors for financial year ending on 30 September 2010 and fix the auditors' fees (cont'd)



The Board recommends shareholders to approve the appointment of auditors from PricewaterhouseCoopers ABAS Limited and the auditors' fees for FY 2010

**Required approval: 51%**



# To approve a change to share capital and corresponding amendment to Clause 4 of the Memorandum of Association



	Amount	Note
Registered capital	933,052,865	Consists of 708,004,413 paid and issued shares, 175,000,000 shares allotted for CB conversion and 50,000,000 shares authorised but unissued reserved for private placement and 48,452 unissued shares from the unallotted stock dividends from the dividend declaration of FY 2008.
Cancellation of authorised but unissued shares	-50,048,452	TTA is required to cancel any authorised but unissued shares, except for those related to CBs conversion, prior to any increase in share capital.
Increase in registered share capital	50,000,000	To continue the 50,000,000 shares for private placement that was cancelled above.
<b>New registered capital</b>	<b>933,004,413</b>	



## To approve a change to share capital and corresponding amendment to Clause 4 of the Memorandum of Association (cont'd)



- ◆ The Board recommends shareholders to approve the proposed change in share capital and corresponding amendment to Clause 4 of the Memorandum of Association

**Required approval: 75%**

- ◆ The Board recommends shareholders to approve the allotment of new ordinary shares

**Required approval: 51%**



## To approve the issuance of 4,000,000 warrants by Mermaid Maritime Plc. under ESOP Scheme



- ◆ Mermaid is an increasingly important earnings contributor to TTA.
- ◆ TTA will continue to support Mermaid strategically as majority shareholder with delegation to Mermaid's management for day-to-day operations.
- ◆ In order to incentivise and align the interests of Mermaid management to that of TTA, the Board of Directors would like to propose an issuance of 4,000,000 Mermaid warrants under an ESOP Scheme.

	Key Warrant Terms
Date of issuance	After 30 September 2010 and within a year after obtaining all required approvals
Number of warrants	4,000,000
Underlying number of shares	4,000,000 representing 0.51% of total Mermaid's paid up capital
Validity period	5 years
Offering price	Baht 0 per warrant
Exercise ratio	One warrant for one ordinary share
Exercise price	Based on weighted average closing price of Mermaid's shares traded on SGX-ST for 15 consecutive trading days immediately prior to the issuance date



# To approve the issuance of 4,000,000 warrants by Mermaid Maritime Plc. under ESOP Scheme (cont'd)



## Existing Employee Share Option Plan

	No. 1	No. 2
Approved ESOP Scheme	3,852,053 warrants	3,000,000 warrants
Date of approval	6 August 2007	30 January 2009
Date of issuance	20 November 2008	16 November 2009
Number of warrants allotted	968,600	891,000
Number of warrants cancelled	3,134,053	2,109,000
Validity period	5 years	5 years
Exercise price	S\$ 0.30 per share	S\$ 0.81 per share
Market price on date of issuance	S\$ 0.26 per share	S\$ 0.84 per share

ESOP allotment is based on achievement of various performance targets and requires annual approval from shareholders





## To approve the issuance of 4,000,000 warrants by Mermaid Maritime Plc. under ESOP Scheme (cont'd)



The Board recommends shareholders to approve the issuance of 4,000,000 warrants by Mermaid Maritime Plc. under ESOP Scheme

**Required approval: 75%**

# Appendix



## Remunerations, Attendance Fees, & Bonus for the Board and Board Committees

(Baht millions)

<b><u>Board of Directors</u></b>	<b>2009<sup>1</sup></b>	<b>2008<sup>2</sup></b>	<b>YoY %</b>
Standard Remuneration	6,391,000	6,160,000	3.8%
Attendance Fees	2,493,000	-	-
Bonus	-	21,936,649	-
<b>Total Fees paid to Directors</b>	<b>8,884,000</b>	<b>28,096,649</b>	<b>-68.4%</b>
<b><u>Attendance Fees</u></b>	<b>2009<sup>3</sup></b>	<b>2008<sup>4</sup></b>	<b>YoY %</b>
Audit Committee	832,000	1,339,900	-37.9%
Remuneration Committee	198,000	86,000	130.2%
Nomination Committee	242,000	126,000	92.1%
<b>Total Attendance Fees</b>	<b>1,272,000</b>	<b>1,551,900</b>	<b>-18.0%</b>
<b>Total Fees</b>	<b>10,156,000</b>	<b>29,648,549</b>	<b>-65.7%</b>

Note: <sup>1</sup> Board meetings = 11 times

<sup>2</sup> Board meetings = 6 times

<sup>3</sup> Audit Committee meetings = 8 times; Remuneration Committee = 5 times; Nomination Committee = 5 times

<sup>4</sup> Audit Committee meetings = 12 times; Remuneration Committee = 3 times; Nomination Committee = 6 times