Trico Marine Services Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question will come from Marius Gaard with Carnegie.

Marius Gaard - Carnegie

Hi guys. I have a question regarding the mobilizations. You're saying that two vessels are mobilizing to China and the Atlantic Challenger. Was the Atlantic Challenger included in the two vessels or the Atlantic Challenger plus the two vessels mobilizing to China during the quarter? Assuming all those vessels have been advert and worked with the EBITDA margin before for Q1?

Geoff Jones

The vessel mobilization to China in the quarter and one early in the quarter was already working there and one is two thirds of the way there, including the Atlantic Challenger. So, when we referred to $330,000 revenue per day just in the South China Sea, that's the total of those three vessels.

I'm sorry Marius, what was your second part of the question?

Marius Gaard - Carnegie

Apparently, I mean all this mobilizations, just also EBITDA margin for the quarter. Assuming that these vessels are being at work, what would be the EBITDA margin for Q1, for Subsea Services?

Geoff Jones

We're not going to forecast the total margin, but I would say to the extent that you have full service spreads in China and the China market Marius, also includes assets that are working behind the customer vessels and that intends to improve and I would say that China stream is going to be above the normal CTC and DeepOcean margin, so then I would put that at 25% or 30% EBITDA margin.

Some of those vessels are owned and two of them are time chartered. So, really that's a combination of the equivalent; on two of them the operating income margin and one of them the EBITDA margin, right.

Marius Gaard - Carnegie

I mean you said that the day rates for the Atlantic Challengers are increased from 14,000 a day to about 137, but did the EBITDA contribution for that vessel increase as well or is it just the day rates?

Geoff Jones

No, I think the EBITDA contribution is probably more than $10,000 and less than $20,000 a day more; maybe than a litter higher than $20,000 a day more, but you don't get the $137 for nothing. It has to ROVs, an observation ROV and air diving spread on it, as well as the survey spread on it.

Marius Gaard - Carnegie

You say that the current margins are consistent with the margins of 2008, does that mean you are implicitly guiding at EBITDA margins of 16% to 18% for the rest of the year?