



MERMAID MARINE  
AUSTRALIA LTD

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16 June 2008

The Listing Manager  
Australian Stock Exchange  
Exchange Centre  
Level 6  
20 Bridge Street  
SYDNEY NSW 200

Dear Sir/Madam

**EGM: CHAIRMAN'S WELCOME ADDRESS & SHAREHOLDER UPDATE**

Please find attached the Chairman's Welcome Address and a shareholder update that was presented to shareholders at today's Extraordinary General Meeting for the Company.

By order of the Board  
**MERMAID MARINE AUSTRALIA LIMITED**

**PETER RAYNOR**  
Chief Financial Officer / Company Secretary

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## **Mermaid Marine Australia Limited 2008 Extraordinary General Meeting**

### **CHAIRMAN'S WELCOME ADDRESS**

Good morning ladies and gentlemen. My Name is Tony Howarth and as Chairman of Mermaid Marine Australia Limited, I welcome you to today's Extraordinary General Meeting for the Company.

The Company Secretary advises me that we have a quorum present and I therefore have pleasure in declaring the meeting open.

Firstly I would like to introduce my fellow directors who are present here today:

- Our Managing Director – Mr Jeffrey Weber
- Non Executive Directors – Mr Jeff Mews and Mr Mark Bradley, and
- Executive Director – Mr Jim Carver
- and our Company Secretary – Mr Peter Raynor

On the 1<sup>st</sup> of May the Company announced that it had entered into an Agreement for Sublease with Chevron Australia Proprietary Limited. This Agreement will serve as a precursor to entering into a formal sublease of approximately 50,000

square metres on the Company's Dampier Supply Base to serve as the North West Supply Base for the flagship Gorgon Project.

In conjunction with this the Company also announced it was undertaking an underwritten placement to institutional and professional investors to help fund a range of infrastructure developments within the Dampier Supply Base and other growth plans.

On the 2<sup>nd</sup> of May the Company announced that it had successfully completed the placement and raised a total of \$36.3 million.

The purpose of today's meeting is to seek shareholder approval for the issue of the shares under the placement.

Prior to proceeding to the formal part of the meeting I will hand over to our Managing Director, Mr Jeffrey Weber who will run through the details of the capital raising and provide a brief update on the Company's operations.

# MERMAID MARINE AUSTRALIA LTD

## SHAREHOLDER UPDATE EXTRAORDINARY GENERAL MEETING



16 June 2008

# Overview

- MMA has entered into an agreement for Chevron to use its Dampier Supply Base as a key staging point for the Gorgon Project
- Agreement represents first stage of two step process:
  - Step 1
    - Base rental fee payable immediately
    - Mechanism to engage suitable contractors to undertake detailed design and costing
  - Step 2
    - Plan to enter formal Sublease in July
    - Sublease economics will deliver an appropriate return on investment
- MMA also plans to expand the current wharf facility at Dampier to meet increased demand

# Capital Raising

- Mermaid Marine Australia Ltd (“MMA”) has raised \$36.3M in an underwritten institutional placement to fund developments at its Dampier Supply Base and to support its future growth plans
- Unconditional Tranche: 18.85 million shares which settled on 7 May 2008
- Conditional Tranche: 6.15 million shares subject to shareholder approval
- Conditional Tranche includes 1.45 million shares issued to Directors
- A Share Purchase Plan is also being conducted at the same price as the placement

# Integrated Services Model

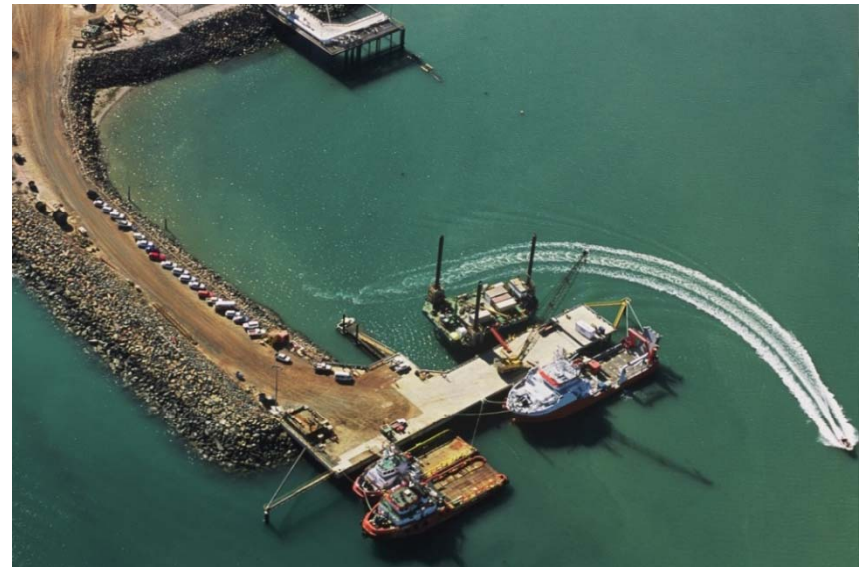
- MMA is a provider of offshore marine services to oil and gas producers and developers off the coast of Western Australia

## Vessels

- Via its fleet of 26 vessels, MMA provides a range of tug and barge operations, offshore maintenance, dive and survey support, supply operations and FPSO offtake support

## Supply Bases

- **DAMPIER:** The company operates a multi user facility providing integrated wharf and supply base services for the offshore oil and gas industry.
- **BROOME:** Operated in a JV with Toll Holdings Limited, the supply base is strategically placed to service the current exploration and future construction and production activities in the gas rich Browse Basin region.

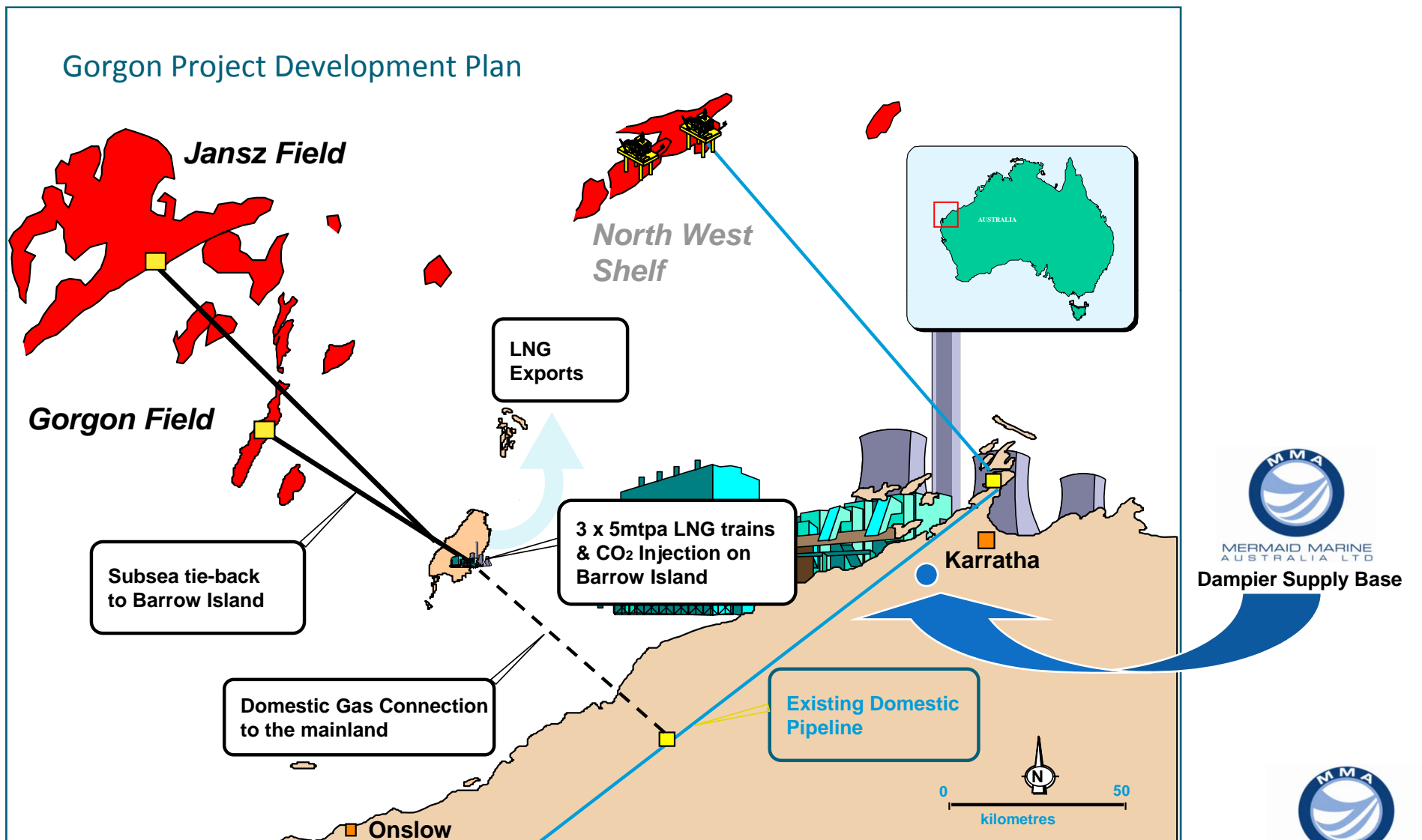


## Slipway

- Located within the Dampier Supply Base the slipway provides a significant competitive advantage in servicing and maintaining the Company's vessel fleet.



# The Gorgon Project

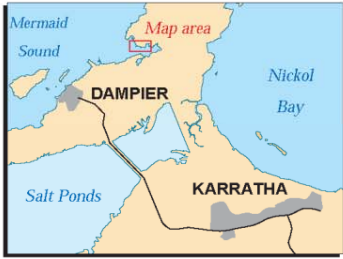




# Dampier Supply Base Upgrades

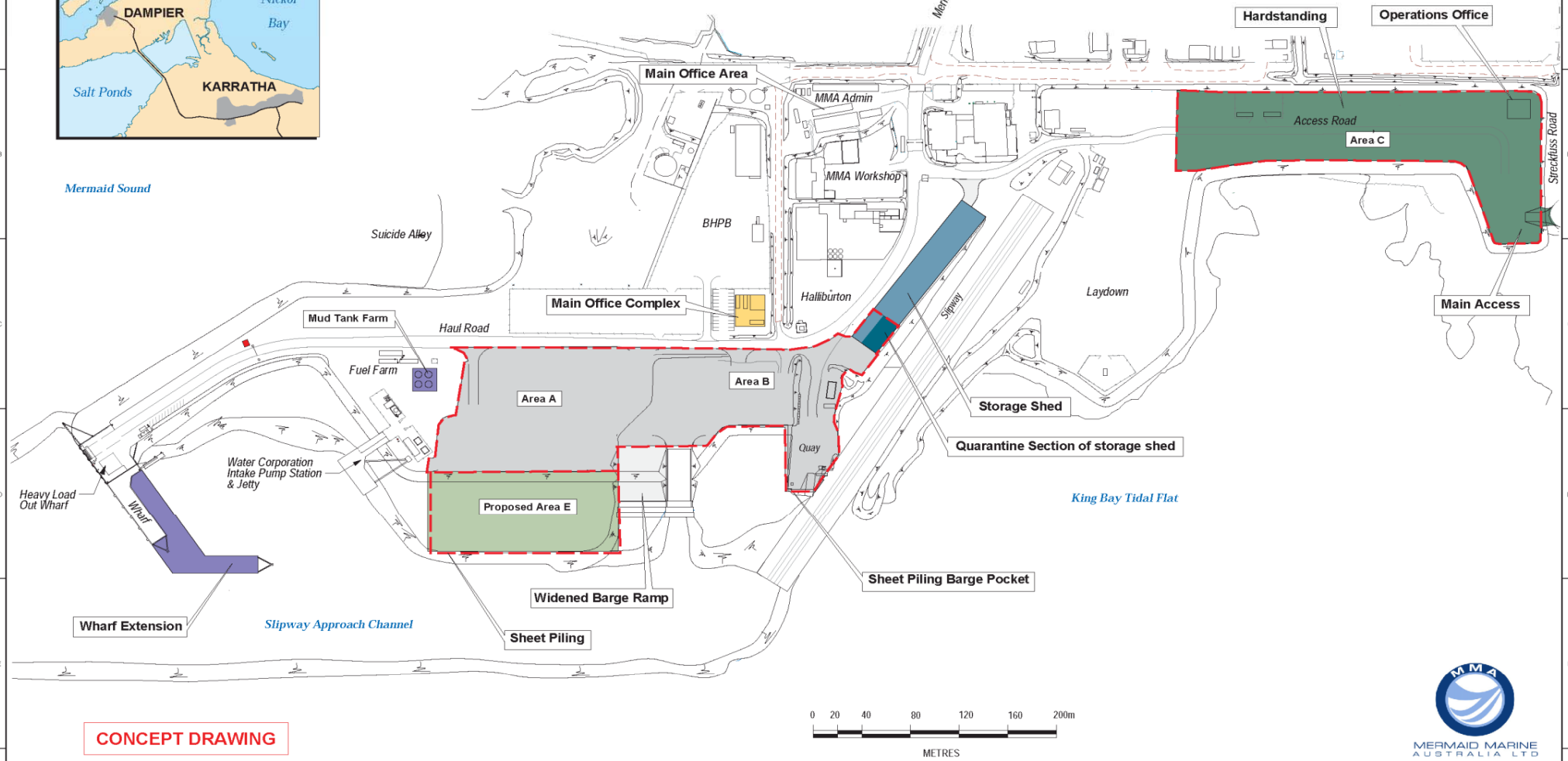
- The “Agreement for Sublease” covers an area of approximately 50,000m<sup>2</sup> on MMA’s Dampier Supply Base with lease payments to commence immediately
  - Represents ~40% of lettable area
  - Sublease term: 5 year lease with extension options
- MMA to undertake design, specification and costing of upgrade works to incorporate in formal lease to be finalised around July 2008
- Current scope of upgrade:
  - Approximately A\$20m spend
  - Quarantine preparation and Lay down area
  - Landing Ramp extension
  - Barge Berth
  - Offices and Warehouses
  - Hazardous material enclosure
- MMA Board has also approved major expansion of its current wharf facility at the Dampier Supply Base at a budgeted cost of approximately A\$22 million
  - Development will double wharf capacity from 3 to 6 berths
  - Targeted completion: April/May 09

**LOCALITY MAP**

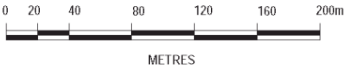


# Dampier Supply Base Upgrades

NORTH



**CONCEPT DRAWING**



NOTE: THIS DRAWING PROPERTY OF MERMAID MARINE AUSTRALIA LIMITED

DRAWING No.		TITLE		REVISIONS		DESCRIPTION		APPROVALS		PREPARED BY: K.J.W. DATE: DRAFTING APPR'L: DATE: PROJECT APPR'L: DATE: CLIENT APPR'L: DATE:		MERMAID MARINE AUSTRALIA DAMPIER FACILITY CONCEPT DEVELOPMENT PLAN		SCALE: 1:1500 A1 DRAWN: EC DATE: 20.08		PROJECT No. DRAWING No. G1-TD-C-0000-GAD0900		REVISION E	
		REFERENCE DRAWINGS																	

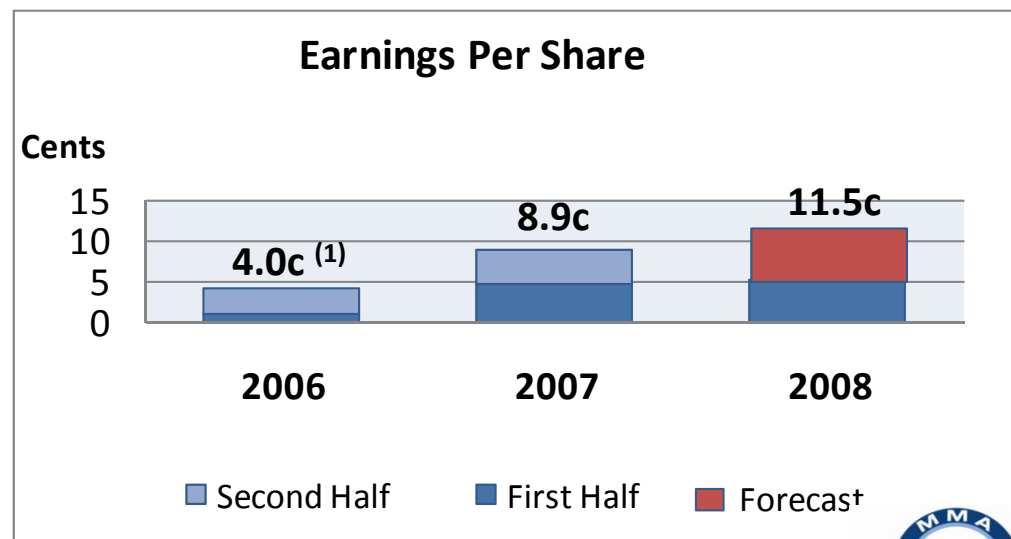
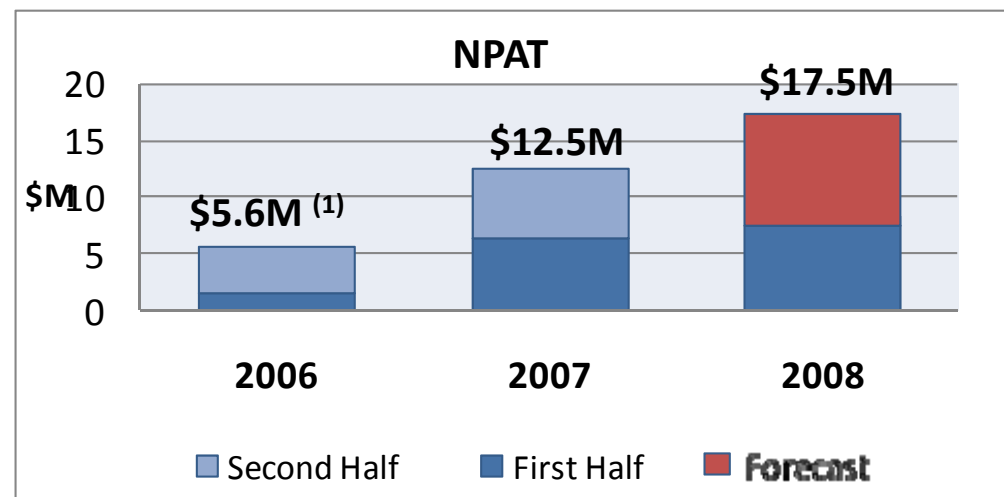
# Trading Update

## First Half 07/08

- Revenue \$63.2 million, ↑ 23% pcp
- Pre-tax profit \$10.7m, ↑ 26% pcp
- Net profit after tax \$7.5m, ↑ 19% pcp
- Earnings per share 5.1c, ↑ 13% pcp

## Second Half 07/08 – update

- Multi Vessel contract with Geokinetics underway
- Earnings will exceed first half in line with previous guidance
- Expect 40% growth in NPAT for the full year
- PBT of approximately \$25 million



(1) Represents normalised earnings excluding sale of Manning business



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# Financial Impact

- Net proceeds from equity raising to be allocated towards:
  - Upgrading Dampier supply base
  - Extending the wharf facilities, and
  - Purchase of new vessels
- Additional funds to be sourced from new debt facilities, operating cash flow and SPP
- Infrastructure upgrades and wharf extension will drive improved earnings and returns on the Supply Base asset
- Development plans and placement will be EPS accretive in FY2010
- Significant long term financial benefits:
  - Strong EPS growth as developments are completed
  - Strengthened balance sheet
  - Improved operating margins
  - Positions company to take advantage of strong demand in the oil and gas sector