

**Merrill Lynch**

**Merrill Lynch (Australia) Pty Limited
ACN 000 890 451
Level 38
Governor Philip Tower
1 Farrer Place
SYDNEY NSW 2000
AUSTRALIA**

FACSIMILE TRANSMISSION SHEET

DATE: 6 November 2007

TO: Company Secretary
Mermaid Marine Limited

FAX: (08) 9431 7432

FROM: Christopher Dean

AT: Merrill Lynch, Office of General Counsel

PHONE: +612 9225 6619

FAX: +612 9225 6953

NO OF PAGES: 4 (including covering page)

RE: MRM Notice

The attached Form 605 should have been lodged previously.

Sorry for any inconvenience that this has caused.

A copy of this Notice has also been sent to ASX today.

Kind Regards,

Christopher Dean

Form 605Corporations Act 2001
Section 671B**Notice of ceasing to be a substantial holder**To Company Name/Scheme MERMAID MARINE

ACN/ARSN _____

1. Details of substantial holder(1)Name MERRILL LYNCH & CO., INC.

ACN/ARSN (if applicable) _____

The holder ceased to be a
substantial holder on29 / 6 / 2007

The previous notice was given to the company on

9 / 5 / 2007

The previous notice was dated

8 / 5 / 2007**2. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change(5)	Class (6) and number of securities affected	Person's votes affected
	SEE APPENDIX 1				

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
SEE APPENDIX 2	

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
SEE APPENDIX 3	

Signatureprint name JAMES INDGEcapacity ATTORNEY-IN-FACT

sign here

date 6 / 11 / 2007

Form 605 - Merrill Lynch Ceased to be a Substantial Holder of Mermaid Marine Limited

Appendix 1 - [item 2]

Date of change	Person whose relevant interest changed	Nature of change	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
29 Jun 2007	Merrill Lynch & Co., Inc	Deemed interest from its associates	See Appendix 1a	Ordinary share -8,500,000	-5.73%
28 Jun 2007	Merrill Lynch International	Stock collateral return	See Appendix 1a	Ordinary share -8,500,000	-5.73%

Appendix 2 - [item 3]

Name and ACN/ARSN (if applicable)	Nature of association
Merrill Lynch & Co., Inc.	Ultimate holding company
Merrill Lynch International	Subsidiary of Merrill Lynch & Co., Inc.

Appendix 3 - [item 4]

Name	Address
Merrill Lynch & Co., Inc.	4 World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281
Merrill Lynch International	Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ

Transaction HistoryAppendix 1a

Period: 9 May 2007 - 29 June 2007

Mermaid Marine Australia Limited

Trade Date	Transaction	Loan Value / Consideration (AU\$)	Price (AU\$)	No of Shares	No of Shares Balance
				brought forward	8,500,000
29-Jun-07	Collateral Return	\$0	\$0.00	-8,500,000	0