

MERMAID MARINE AUSTRALIA LTD

INVESTOR BRIEFING DEVELOPMENT OF DAMPIER SUPPLY BASE



1 May 2008

Agenda

- Overview
- Sector Highlights
 - Record Offshore Activity Levels
 - The Gorgon Project
- Mermaid's Strategy
 - Integrated Services Model
 - Dampier Supply Base Upgrades
- Financing & Use of Proceeds
- Trading Update
- Financial Impact
- Equity Placement Timetable

Overview

- Mermaid Marine Australia Ltd (“MMA”) is undertaking an underwritten institutional placement to fund developments at its Dampier Supply Base and to support its future growth plans
- 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 to update the market upon entering into Sublease
- MMA also plans to expand the current wharf facility at Dampier to meet increased demand

Record Offshore Activity Levels

- Demand for services in the oil and gas market remain strong across all divisions

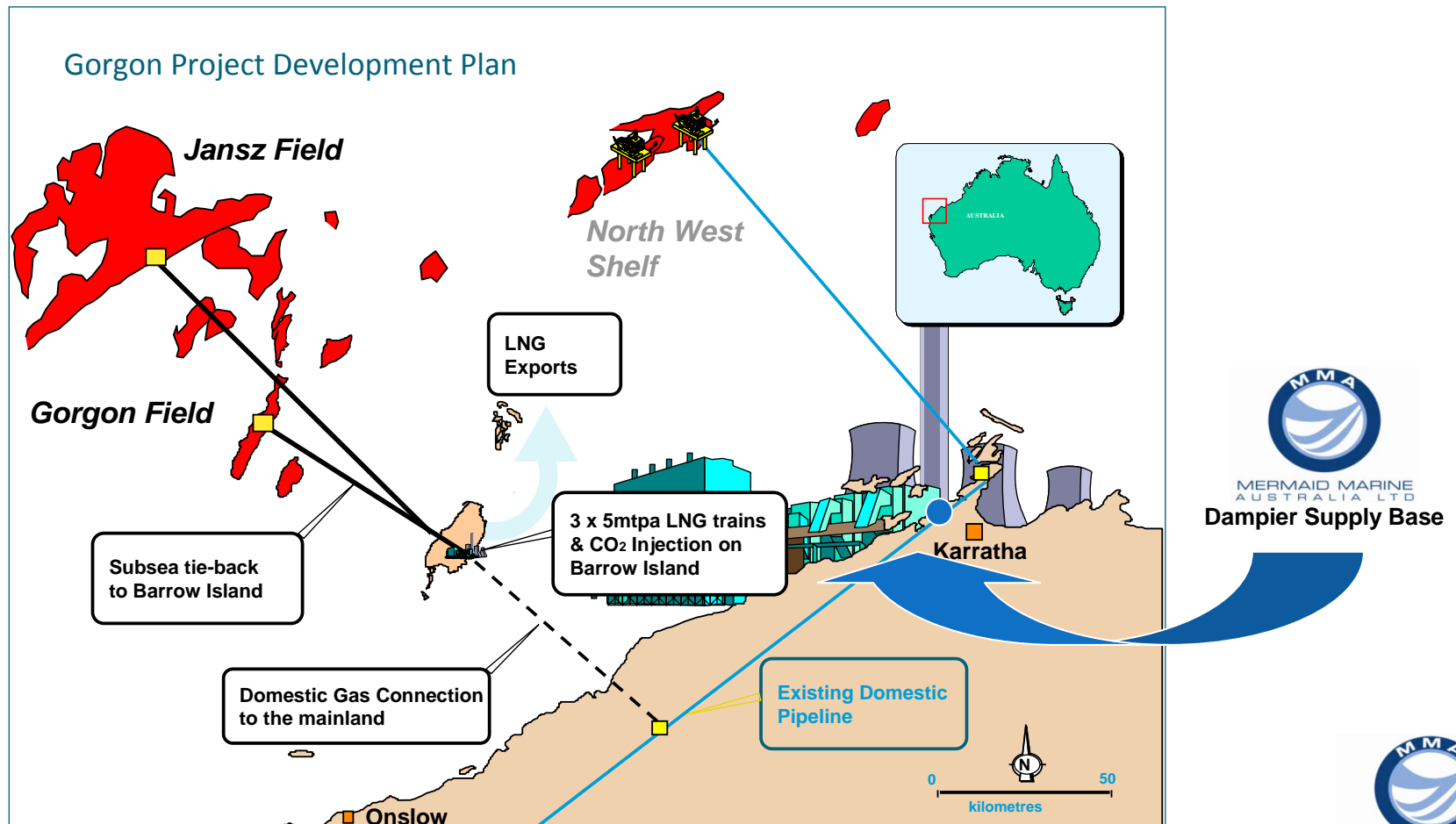
<p>Strong 6-year exploration outlook already committed ...</p>	<ul style="list-style-type: none"> • 343 exploration wells have been committed to over the next 6 years, almost double the amount of wells drilled in the previous 6 years; • A cumulative 6 year forward commitment for exploration amounts to \$8.8B.
<p>Construction will continue to grow as major projects are approved...</p>	<ul style="list-style-type: none"> • Construction expenditure is expected to increase from \$1.6B in FY 07 to an average of \$7.4B through to 2011; • There is also significant upside as tentative projects are approved.
<p>Strong production growth driven by petroleum demand...</p>	<ul style="list-style-type: none"> • Potentially 6 FPSO's, 7 platforms and 4 onshore production facilities to come online over the next 5 years; • 77 new subsea wells are expected over the same period (increase of 38%).
<p>Operations are moving further offshore with future growth moving north...</p>	<ul style="list-style-type: none"> • Growth is concentrated in deeper waters, requiring larger, more sophisticated vessels; • Major growth in the short-term (3-5 years) will be in the Carnarvon Basin, with growth in the Exmouth Basin moving north to the Browse Basin and East Timor in the longer term.

The Gorgon Project

- The Gorgon project involves development of the Greater Gorgon gas field, located between 130km and 200km off the north-west coast of Western Australia
- The Greater Gorgon gas fields contain resources of about 40 trillion cubic feet of gas, Australia's largest-known gas resource⁽¹⁾
- Development involving subsea pipelines to Barrow Island
 - Up to 30 subsea wells in water depths from 200-1300m throughout production life
- A gas processing facility on Barrow Island consisting of three, 5 million tonne per annum LNG trains
- LNG shipping facilities to transport products to international markets
- Greenhouse gas management via injection of carbon dioxide into deep formation beneath Barrow Island

The Gorgon Project (con't)

- Limited development space and quarantine requirements on Barrow Island mean Dampier Supply Base will be the key staging point for the Gorgon Project



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

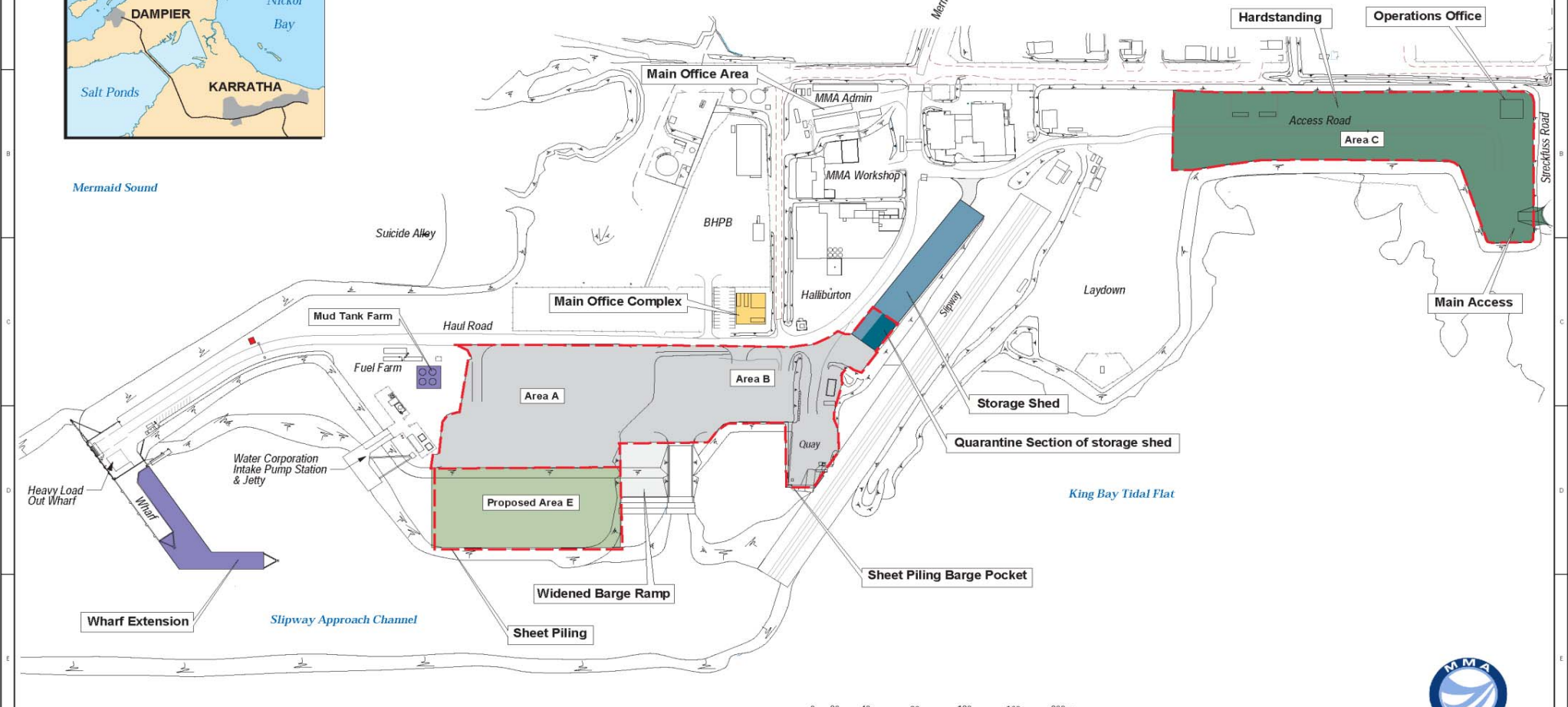
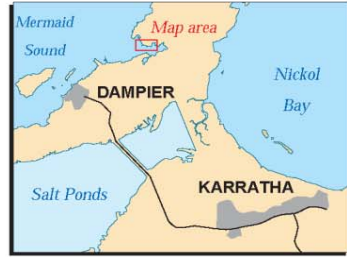
- Located within the Dampier Supply Base the slipway provides a significant competitive advantage in servicing and maintaining the Company's vessel fleet.

Dampier Supply Base Upgrades

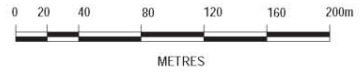
- The “Agreement for Sublease” covers an area of approximately 50,000m² on MMA’s Dampier Supply Base with lease payments to commence immediately
 - Represents ~40% of lettable area
 - Sublease term: 5 year lease with extension options
- MMA to undertake design, specification and costing of upgrade works 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
 - Anticipate some contribution to FY2009 earnings

Dampier Supply Base Upgrades

LOCALITY MAP



CONCEPT DRAWING



NOTE: THIS DRAWING PROPERTY OF MERMAID MARINE AUSTRALIA LIMITED

PREPARED BY: K.J.V. DATE:		MERMAID MARINE AUSTRALIA DAMPIER FACILITY CONCEPT DEVELOPMENT PLAN	SCALE: 1:1600 A1 DRAWN: EC DATE: 20.2.08	PROJECT No:	DRAWING No: G1-TD-C-0000-GAD0900	REVISION																																										
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Financing & Use of Proceeds

- MMA is undertaking an equity raising to fund its growth plans:
 - Net proceeds of approximately A\$25 million from institutional placement
 - Represents available capacity under 15% limit
 - Price to be determined by underwritten bookbuild
 - Merrill Lynch is Lead Manager with Euroz and Patersons brokers to the offer
- Net proceeds from equity raising to be allocated towards:
 - Upgrading Dampier supply base
 - Extending the wharf facilities, and
 - Purchase of at least one new vessel
- Additional funds to be sourced from new debt facilities, operating cash flow and potential SPP

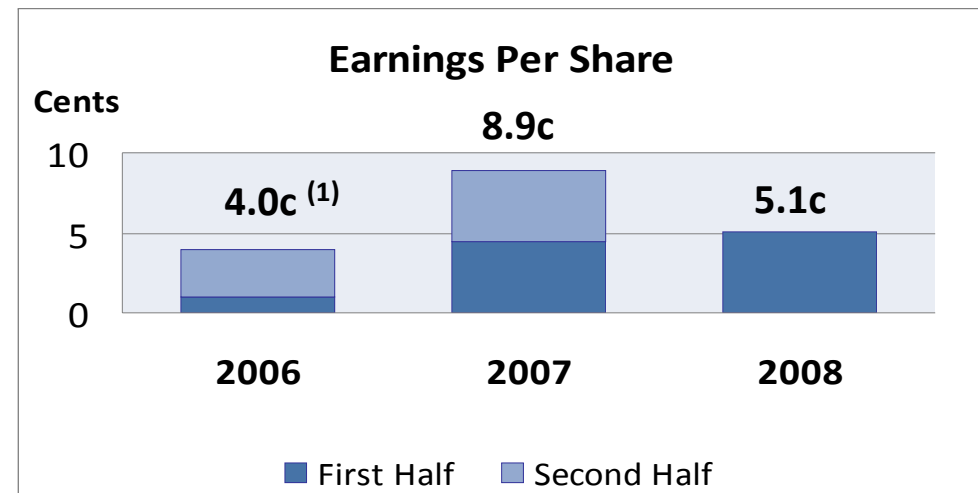
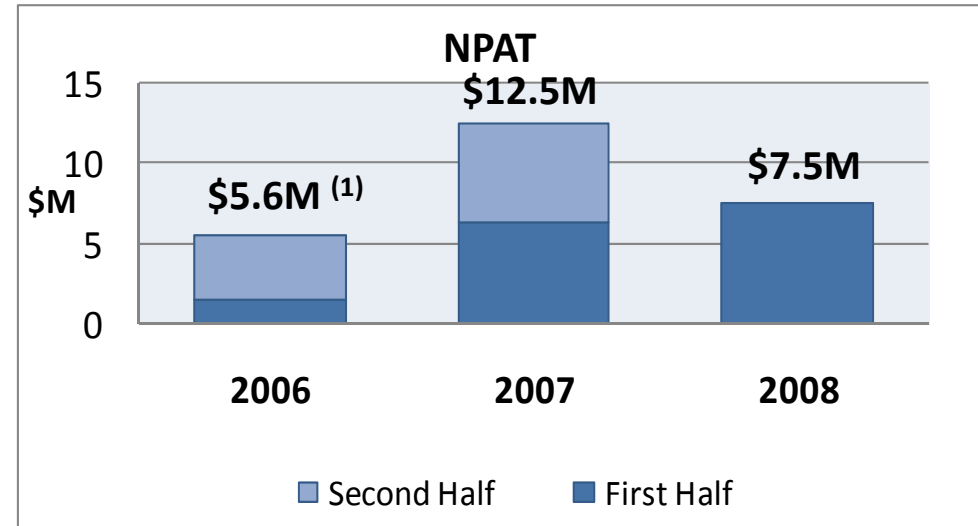
Trading Update

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

- Secured multi Vessel contract with Geokinetics worth A\$40m over next 12 months
- Earnings will exceed first half in line with previous guidance
- Expect minimum 25% growth in NPAT for the full year



(1) Represents normalised earnings excluding sale of Manning business

Financial Impact

- Infrastructure upgrades and wharf extension will drive improved earnings and returns on the Supply Base asset
- Development plans and placement will be EPS neutral in FY2008 and FY2009 and 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

Equity Placement Timetable

Milestone	Indicative Timing ⁽¹⁾
Bookbuild Opens	12:00pm – Thursday, 1 May 2008
Bookbuild closes Placement Pricing & Allocations announced	12:00pm – Friday, 2 May 2008
Settlement	Wednesday, 7 May 2008
Allotment & Trading Commences	Thursday, 8 May 2008

- MMA also intends to offer shareholders a Share Purchase Plan (SPP) in June 2008

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