SHARE PURCHASE PLAN

INFORMATION BOOKLET

*This Information Booklet sets out the terms and conditions of the Mermaid Marine Australia Share Purchase Plan (**SPP**).*

1. Offer of new shares under the SPP

The SPP provides eligible Mermaid Marine Australia Limited (**MMA**) shareholders with the opportunity to acquire additional shares in MMA up to the value of $5,000 at an issue price of $1.45 per share (**new shares**), without brokerage and other transaction costs.

The offer under the SPP is non-renounceable, which means you cannot transfer your right to acquire shares under the offer to anyone else.

You should consult your stockbroker or professional adviser in relation to this offer and your participation under the SPP.

2. Eligible shareholders and participation

You are eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares of MMA on 19 May 2008 with a registered address in either Australia or New Zealand.

If you are eligible to participate in the SPP, you may select **only 1** of the following offers to purchase new shares:

	Number of new shares which ma be purchased*	**Total amount payable at $1.45 per share**
Offer A	690 shares	$1,000
Offer B	1,380shares	$2,000
Offer C	2,069 shares	$3,000
Offer D	2,759 shares	$4,000
Offer E	3,449 shares	$5,000

**Note: the number of shares is rounded up to the nearest whole share.*

Important notes:

The maximum application amount of $5,000 applies to **all** shareholders (irrespective of size of holding) even if you receive more than 1 offer from MMA (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts). This is because by law the maximum amount that may be raised from each eligible shareholder under a share purchase plan is $5,000 in any 12 month period. By applying for new shares under the SPP, you confirm that the total amount of all shares purchased by you under the SPP **does not exceed $5,000**.

However, if you act as a trustee or nominee in respect of more than 1 beneficiary, you may apply for up to $5,000 of new shares for each occasion that you are separately recorded as a trustee or nominee for a different beneficiary. MMA reserves the right to reject any application for new shares where it believes this requirement has not been complied with.

3. Issue price

The issue price for each new share is $1.45, being the same price as the shares issued under the recent Institutional Placement which was completed by the Company, rounded up to the nearest whole share for each offer of new shares described in section 2. This issue price represents a discount of approximately 3.3% to the volume weighted average price (**VWAP**) of MMA's ordinary shares traded on ASX during the 5 trading days before 5 May 2008 (being the date the SPP was announced) and a discount of approximately 12.4% to the VWAP of MMA's shares over the period commencing 5 May 2008 up to and including 19 May 2008 (being the Record Date).

You should note that the market price of MMA's shares could rise or fall between the date of this offer and the date when MMA allots the new shares to you. This means that the price you pay for every new share under this offer may exceed or be less than the market price of MMA's shares at the time the new shares are allotted to you under the SPP.

No brokerage or other transaction costs apply to the application for and allotment of new shares under the SPP.

4. Application for new shares

You may apply for new shares by one of the methods set out on the enclosed Application Form. If you are paying by BPay, you do not need to return the Application Form.

If you are paying by cheque, bank draft or money order, your Application Form, together with your cheque, bank draft or money order made payable to "Mermaid Marine Australia Limited - Share Purchase Plan" must be sent to MMA's share registry, Computershare Investor Services (at the address set out in the Application Form) so that they are received by 5.00pm (WST) on 16 June 2008 (**Closing Time**). A reply paid envelope is enclosed for your convenience.

You should allow adequate time for your payment to be received by the Closing Time. Applications received after the Closing Time will not be accepted.

5. Issue of new shares

New shares will be issued on or about 20 June 2008. It is expected that the new shares allotted to you under the SPP will be quoted on ASX on or about 23 June 2008 and you should receive your holding statement or confirmation advice shortly after that date.

New shares will rank equally with existing fully paid ordinary shares in MMA and will carry the same voting rights, dividend rights and other entitlements at the allotment date.

6. Questions

If you have any questions, please contact MMA's share registry, Computershare Investor Services, on 1300 557 010 (toll free).

7. Other terms and conditions

Shareholders will be bound by the constitution of MMA and these terms and conditions by accepting the offer to acquire new shares under the SPP.

MMA has a broad discretion to accept or reject your application to purchase new shares under the SPP, including (without limitation) if:

- your application form is incorrectly completed or incomplete or otherwise determined by MMA to be invalid;
- your cheque is dishonoured or has not been completed correctly;
- your cheque is not made out for the exact amount of the parcel of new shares that you have selected on the application form;
- it appears that you are applying to subscribe for more than $5,000 (in aggregate) of new shares; or
- MMA believes that you are not an eligible shareholder.

No interest will be paid on any application money returned to you.

If you apply to participate in the SPP by completing and returning the application form:

- your application, on these terms and conditions, will be irrevocable and unconditional (it cannot be withdrawn);
- you acknowledge that you are eligible to participate in the SPP in accordance with these terms and conditions;
- you certify that you have not applied for new shares with an aggregate application price in excess of $5,000 under the SPP in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- you accept the risk associated with any refund that may be despatched to you by cheque to your address shown on MMA's share register; and
- you irrevocably and unconditionally agree to the terms and conditions of the SPP.

The offer of new shares under the SPP is in accordance with ASIC Class Order CO 02/831 which grants relief from the requirement to prepare a disclosure document for the offer.

MMA reserves the right to reject any application for new shares under the SPP that it believes does not comply with the terms and conditions in this booklet. MMA may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determination by MMA will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates.

MMA reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible shareholders even where MMA does not notify one or more eligible shareholders of that event.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY