

17th October 2014

The Listing Manager
Australian Securities Exchange Ltd
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

RE: MERMAID MARINE AUSTRALIA LIMITED (“COMPANY”) – NOTICE OF 2014 ANNUAL GENERAL MEETING

Pursuant to Listing Rule 3.17, please find **attached** a copy of the following documents which have been mailed to the Company’s shareholders today:

- Notice of Annual General Meeting; and
- Proxy Form.

A copy of the Company’s 2014 Annual Report was released to the ASX on 19th September 2014 and is available for review on the Company’s website at www.mma.com.au.

Kind Regards
MERMAID MARINE AUSTRALIA LIMITED



DYLAN ROBERTS
Company Secretary / General Manager Legal



NOTICE OF 2014 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders (**Shareholders**) of Mermaid Marine Australia Limited ABN 21 083 185 693 (**Company**) will be held at the Endeavour Shed, 1 Mews Road, Fremantle, Western Australia, 6160 on Tuesday, 18 November 2014 at 10.30am (Perth time).

This notice of meeting (**Notice**) should be read in conjunction with the Explanatory Statement accompanying this Notice.

BUSINESS

Ordinary Business

Annual Financial Report, Directors' Report and Auditor's Report

To receive and consider the annual financial report of the Company, the Directors' report and the Auditor's report for the financial year ended 30 June 2014.

Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That the Remuneration Report for the financial year ended 30 June 2014 be adopted."

The Remuneration Report is set out in the Company's 2014 Annual Report. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement for Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the chair to exercise the proxy, even if the resolution is connected directly or indirectly with the remuneration of a member of key management personnel for the Company (or its consolidated group).

Key management personnel and their closely related parties are prohibited under the *Corporations Act 2001* (Cth) from voting in a manner contrary to the above. The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 1.

Resolution 2 – Re-election of Ms Eva Alexandra (Eve) Howell as a Director

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That Ms Eva Alexandra Howell, who retires as a Director in accordance with rule 3.6 of the Company's Constitution, and being eligible, offers herself for re-election, be re-elected as a Director."

Resolution 3 – Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2014

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, Shareholders approve the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2014, the terms of which are summarised in the accompanying Explanatory Statement, and the issue of securities under it."

Voting Prohibition Statement for Resolution 3

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company (or its consolidated group); or
 - (ii) a closely related party of a member of the key management personnel for the Company (or its consolidated group); and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 3.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the Meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company (or its consolidated group).

Voting Exclusion Statement for Resolution 3

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 3 by Mr Jeffrey Weber and any other Director who is eligible to participate in any employee incentive scheme in relation to the Company and any associate of any of those persons.

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Key management personnel and their closely related parties are prohibited under the *Corporations Act 2001* (Cth) from voting in a manner contrary to the above. The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 3.

Resolution 4 – Grant of Performance Rights to the Managing Director, Mr Jeffrey Weber

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of up to 430,075 performance rights over ordinary shares in the Company to the Managing Director, Mr Jeffrey Weber, pursuant to the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2014, the terms of which are summarised in the accompanying Explanatory Statement, and the issue of Shares upon vesting of any such Performance Rights."

Voting Prohibition Statement for Resolution 4

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either;
 - (i) a member of the key management personnel for the Company (or its consolidated group); or
 - (ii) a closely related party of a member of the key management personnel for the Company (or its consolidated group); and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the Meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company (or its consolidated group).

Voting Exclusion Statement for Resolution 4

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 4 by Mr Jeffrey Weber and any other Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and any associate of those persons.

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Key management personnel and their closely related parties are prohibited under the *Corporations Act 2001* (Cth) from voting in a manner contrary to the above. The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies in favour of Resolution 4.

If approval is obtained under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, as set out in the Explanatory Statement accompanying this Notice.

Special Business

Resolution 5 – Approval to change name of Company

To consider and, if thought fit, pass the following as a **special resolution**:

"That, for the purposes of section 157(1) of the Corporations Act 2001 (Cth), and for all other purposes, the name of the Company be changed to "MMA Offshore Limited" with effect from the day on which the Australian Securities and Investments Commission alters the details of the Company's registration."

Other Business

Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

BY ORDER OF THE BOARD



Dylan Darbyshire-Roberts
Company Secretary
Fremantle, Western Australia
Date: 17th October 2014

The Notice of Meeting, Explanatory Statement and proxy form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek professional advice from their accountant, solicitor or other professional adviser prior to voting.

Information about voting and attendance

These notes form part of the Notice.

Entitlement to attend and vote

The Company has determined that persons who are registered holders of fully paid ordinary shares of the Company (**Shares**) at 5.00pm (Perth time) on Sunday, 16 November 2014 will be entitled to attend and vote at the AGM.

Attending the Meeting

If you attend the Meeting, please bring your personalised proxy form with you to assist with registration and (if possible) arrive at the venue 15 to 30 minutes before the start of the Meeting. Representatives from the Company's share registry, Computershare Investor Services Pty Limited (**Share Registry**) will verify your shareholding against the Company's Share Registry and note your attendance. If you do not bring your form with you, you will still be able to attend the Meeting but you will need to verify your identity.

Voting by proxy

A Shareholder entitled to attend and vote at the AGM may appoint a proxy. A proxy need not be a shareholder of the Company and can be either an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative to exercise its powers as proxy at the Meeting (see below).

The proxy form accompanying this Notice should be used for the AGM and provides further details on appointing proxies and lodging the proxy forms. An additional proxy form will be supplied by the Company on request.

A Shareholder entitled to cast two or more votes at the AGM may appoint two proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes, each proxy may exercise half of the votes.

In the case of an individual, a proxy form must be signed by the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy form must be executed by the corporation pursuant to section 127 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or be signed by a duly authorised officer or attorney of that corporation.

To be effective, a proxy appointment form (and, if the proxy appointment is signed by the Shareholder's attorney, the original power of attorney or other authority, or certified copy of that power of attorney or other authority under which the proxy is signed) must be received not later than 48 hours before the commencement of the Meeting, i.e. no later than 10:30am (Perth time) on Sunday, 16 November 2014. Proxy forms received after that time will be invalid.

Proxy forms must be received by one of the following methods:

- | | |
|----------------------|---|
| By post: | Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria, 3001 |
| By facsimile: | (within Australia) 1800 783 447 (outside Australia) +61 3
9473 2555 |
| By Mobile: | Scan the QR Code on your Proxy form and follow the
prompts |

Online: Shareholders may submit their proxy instructions electronically online to the Company's Share Registry by visiting www.investorvote.com.au. For Intermediary Online Subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on its behalf. For an appointment to be effective for the Meeting, the original instrument effecting the appointment (or a certified copy of it) must be received by the Company's Share Registry at the addresses listed above at least 48 hours prior to the commencement of the Meeting.

Corporate representatives

A body corporate which is a Shareholder may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative will need to bring to the Meeting the appropriate appointment document, including any authority under which the appointment is signed, which will need to be produced prior to admission to the Meeting, unless it has previously been given to the Company.

A form of appointment may be obtained by telephoning the Company's Share Registry (1300 850 505 within Australia or +61 3 9415 4000 outside Australia) or at www.computershare.com by downloading the form "Appointment of Corporate Representative".

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Generally, these sections mean that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed. If the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

Express authorisation for undirected proxies on Resolution 1 (Adoption of Remuneration Report), Resolution 3 (Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan – 2014) and Resolution 4 (Grant of Performance Rights to the Managing Director, Mr Jeffrey Weber)

As a member of the Company's key management personnel, the Chairman can only vote undirected proxies on Resolution 1 (Adoption of Remuneration Report), Resolution 3 (Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan – 2014) or Resolution 4 (Grant of Performance Rights to the Managing Director, Mr Jeffrey Weber) if the proxy appointment expressly authorises the Chairman to vote those undirected proxies on those Resolutions, even though the Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel for the Company (or its consolidated group).

If you appoint the Chairman as your proxy in relation to Resolution 1, Resolution 3 or Resolution 4, but do not complete any of the boxes "For", "Against" or "Abstain" opposite that Resolution on the proxy form, you will **be expressly authorising** the Chairman to vote on the relevant Resolution in accordance with the Chairman's stated voting intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company (or its consolidated group). The Chairman of the

Meeting intends to cast (where appropriately authorised) all undirected proxies on, and in favour of, each Resolution. Therefore, if a Shareholder appoints the Chairman of the Meeting as its proxy, without a voting direction, that Shareholder's votes will be cast **for** each of Resolution 1, Resolution 3 and Resolution 4.

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting, on any of Resolution 1, Resolution 3 or Resolution 4, the Shareholder **must** specify this by completing the "Against" or "Abstain" boxes opposite Resolution 1, Resolution 3 or Resolution 4 (as appropriate) on the proxy form.

Please pay particular attention when completing the proxy form.

Under the Corporations Act, voting restrictions apply to the Company's key management personnel and their closely related parties for Resolution 1, Resolution 3 and Resolution 4. The term "closely related party" in relation to a member of key management personnel includes a spouse, dependent and certain other close family members, as well as any companies controlled by the key management personnel. In addition, voting exclusions apply in relation to Resolution 3 and Resolution 4 under the ASX Listing Rules. Please refer to the Notice for more details.

AGM webcast

The AGM will be recorded and a webcast will be made available to Shareholders on the Company's website after the AGM.

2014 Annual Report

The Company's 2014 Annual Report is available for Shareholders on the Company's website at www.mma.com.au/investors/investor_centre.phtml.

If you would like to receive a hard copy of the 2014 Annual Report, at no charge, please contact the Company, who will arrange to mail you a hard copy. Shareholders who have previously elected to receive a hard copy of the 2014 Annual Report will receive it separately in the mail.

EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice and provides information to Shareholders about the items of business to be conducted at the Meeting.

Shareholders should read this Explanatory Statement, together with the Notice, in its entirety before deciding how to vote in respect of the Resolutions.

Annual Financial Report, Directors' Report and Auditor's Report

The Corporations Act requires the annual financial report, Directors' report and the Auditor's report to be received and considered at the AGM. A copy of the Company's 2014 Annual Report, including the annual financial report, the Directors' report and the Auditor's report for the year ended 30 June 2014, is available on the Company's website at www.mma.com.au/investors/investor_centre.phtml.

When you access the Company's 2014 Annual Report online, you can view it and print a copy of it. Please note that if you have elected to continue to receive a hard copy of the Company's 2014 Annual Report, it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's 2014 Annual Report and now (or at some time in the future) wish to receive a hard copy of the Company's 2014 Annual Report, please contact the Company, who will arrange to mail you a hard copy.

The Corporations Act does not require members to approve these reports. However, members will be given a reasonable opportunity to:

- ask questions about, or make comments on, the management of the Company; and
- ask the Company's Auditor or the Auditor's representative questions relevant to:
 - the conduct of the audit;
 - the preparation and content of the Auditor's report;
 - the accounting policies adopted by the Company in relation to the preparation of financial statements; and
 - the independence of the Auditor in relation to the conduct of the audit.

Shareholders are encouraged to submit any question that they may have regarding the above matters, in writing (including by email), to the Company by no later than 5.00pm (Perth time) on Tuesday, 11 November 2014. This will allow the Company time to prepare and present a comprehensive response to Shareholders at the AGM.

A Shareholder who is entitled to cast a vote at the AGM may also submit a written question to the Auditor, if the question is relevant to:

- the content of the Auditor's report to be considered at the AGM; or
- the conduct of the audit of the reports to be considered at the AGM.

A written question to the Auditor may only be submitted by giving the question to the Company (attention: the Company Secretary – Mermaid Marine Australia Limited) by no later

than 5.00pm (Perth time) on Tuesday, 11 November 2014, which the Company will then pass on to the Auditor. The Company will allow a reasonable opportunity for the Auditor's representative to answer the written questions submitted to the Auditor.

The Company will make available to Shareholders attending the AGM copies of the list of Shareholder questions presented to the Auditor, which the Auditor considers relevant.

Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report, which is set out in the Company's 2014 Annual Report for the year ended 30 June 2014, includes:

- information about the remuneration policy for determining the nature and amount of remuneration of the Directors and key management personnel of the Company;
- a description of the relationship between the remuneration policy and the Company's performance; and
- details of the remuneration arrangements for the Directors and key management personnel of the Company for the year ended 30 June 2014.

Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report to be adopted be put to the vote at the Company's annual general meeting. Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

However, if a company's Remuneration Report receives an "against" vote of 25 per cent or more at two consecutive annual general meetings, a resolution must be put at the later annual general meeting that another meeting be held (within 90 days) at which all directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. So, in summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

In addition, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25 per cent or more of votes cast at the annual general meeting, the Company's subsequent remuneration report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

The Company's Remuneration Report did not receive a "no" vote of 25% or more at the Company's previous AGM held on 21 November 2013.

The Chairman of the AGM will allow a reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the AGM. The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual.

Directors' Recommendation

On the above basis, the Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

Resolution 2 – Re-election of Ms Eva Alexandra (Eve) Howell as a Director

Resolution 2 seeks Shareholder's approval for the re-election of Ms Eva Alexandra Howell who is retiring as a Director pursuant to rule 3.6(c) of the Company's Constitution. Ms Eva Alexandra Howell, being eligible for re-election under the Company's Constitution, offers herself for re-election.

The Company's Constitution provides that an election of Directors must be held at each annual general meeting. A Director (other than the Managing Director) must retire from office at the third annual general meeting after the Director was elected or last re-elected or as the Director is otherwise scheduled to retire under the Company's Constitution.

However, no Director (other than the Managing Director who is exempt) has been in office for a period longer than three year since their last re-election or election or is otherwise scheduled to be re-elected at the AGM under the Company's Constitution. In these circumstances, the Company's Constitution provides that one Director must retire from office at the AGM and the Director who has held office the longest since last being elected shall retire at the AGM. If two or more Directors have been in office for the same period, those Directors agree which of them will retire. If they do not agree, they must draw lots to decide which of them must retire. Ms Eva Alexandra Howell has agreed to retire.

Eve has over 40 years of experience in the oil and gas industry in a number of technical and managerial roles. Eve was previously Executive Chairman of Tangles Petroleum Limited, Executive Vice President for Health, Safety & Security at Woodside Energy Ltd and previously served as Executive Vice President of North West Shelf at Woodside and Managing Director at Apache Energy Ltd. Eve is currently a Director of Downer EDI Limited, Buru Energy Limited and EMR Resources Pty Ltd. Eve also currently holds a senior advisor role with Miro Advisors Pty Ltd, an independent business focused on corporate advisory opportunities in the natural resources sector. She has previously served on a number of Boards, including the Fremantle Port Authority, the Australian Petroleum Production & Exploration Association and was a Board member and President of the Australian Mines and Metals Association.

Eve holds a Bachelor of Science (with Honours in Geology and Mathematics) from the University of London and an MBA from Edinburgh Business School and is a member of the Australian Institute of Company Directors.

Eve was appointed as a Non-Executive Director of the Company on 27 February 2012 and is a member of the Company's Nomination and Remuneration Committee and the Company's Audit and Risk Committee.

The Board considers that Eve is an independent Director and has received confirmation from Eve that she has sufficient time to fulfil her responsibilities as a Non-Executive Director of the Company.

Director's Recommendation

The Board is of the view that it has benefited and will continue to benefit from the skills, knowledge and experience that Ms Eva Alexandra Howell brings to the Company. The Board recommends that Shareholders vote in favour of Resolution 2. Ms Eva Alexandra Howell does not make a recommendation due to her interest in the outcome of Resolution 2.

Resolution 3 – Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan – 2014

3.1 Background

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act, and for all other purposes, to approve the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan – 2014 (**Plan**).

3.2 Reason Shareholder approval is required

ASX Listing Rule 7.2 (Exception 9)

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including Shares issued pursuant to the vesting of performance rights under the Plan (**Performance Rights**)) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

ASX Listing Rule 7.2 (Exception 9) effectively provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% for ASX Listing Rule 7.1 purposes, provided that the employee incentive scheme and the securities to be issued pursuant to the scheme have been approved by shareholders within the 3 years prior to the issue of securities.

Resolution 3 seeks Shareholder approval, for the purposes of ASX Listing Rule 7.2 (Exception 9), and for all other purposes, of the Plan and the issue of securities under the Plan from time to time.

Approval is being sought to ensure that the securities issued under the Plan, including the issue of the Performance Rights do not count towards the Company's 15% capacity to issue securities within any 12 month period under ASX Listing Rule 7.1. The approval will provide the Company with maximum flexibility to undertake equity raisings in the future without the need for further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital. It should be noted that, notwithstanding any approval by Shareholders of Resolution 3, any future grant of Performance Rights to a Director, including the Managing Director, will remain subject to shareholder approval under ASX Listing Rule 10.14.

If Resolution 3 is passed, all securities issued by the Company under the Plan will be excluded from the 15% limit imposed by ASX Listing Rule 7.1 for a period of 3 years from the date of the approval.

Section 260C(4) of the Corporations Act

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under

an employee share scheme that has been approved by a resolution passed at a general meeting of the company. The operation of the proposed new rules of the Plan (given the establishment of an employee share trust (**EST**) as detailed in 3.4 below) may constitute the Company providing financial assistance for the acquisition of its shares. So, in addition to Shareholder approval being obtained under ASX Listing Rule 7.2 (Exception 9), approval is being sought for the purposes of section 260C(4) of the Corporations Act to allow for the giving of financial assistance by the Company for acquiring shares in the Company. Further details on why the acquisition of shares by the EST on behalf of Mr Weber (upon the vesting of Performance Rights) may be considered to constitute the giving of financial assistance under the Corporations Act are set out in section 3.4 below.

3.3 Terms of the Performance Rights – Mermaid Marine Australia Limited Managing Director's Performance Rights Plan – 2014

The Plan is a new employee incentive scheme which has been established to assist with the reward, retention and motivation of the Managing Director, Mr Weber. The Performance Rights to be granted to the Managing Director:

- will be granted subject to the terms and conditions of the Plan; and
- are the long-term incentive component of the Managing Director's remuneration package in line with the Company's remuneration policy, which is detailed in the 2014 Annual Report.

A Performance Right is a right to acquire one fully paid ordinary share in the Company. Until a Performance Right vests and a share is issued, the Managing Director, in his capacity as a holder of a Performance Right:

- does not have a legal or beneficial interest in shares of the Company; and

is not entitled to receive dividends or other Shareholder benefits.

A summary of the terms and conditions of the Plan is set out below. A copy of the Plan is available for inspection by Shareholders by contacting the Company Secretary on (+61) 8 9431 7431.

Board's discretion to invite Managing Director and determine criteria

Performance Rights will be subject to performance criteria (**Performance Criteria**) which must be satisfied over a specified period of time (**Performance Period**) before the Performance Rights can vest.

When issuing an invitation under the Plan, the Board has discretion to determine the terms and conditions of a grant of Performance Rights to ensure that they are appropriate. The Board's discretion includes determining:

- whether the Managing Director is eligible to participate in the Plan (and inviting him to participate);
- the number of Performance Rights granted to the Managing Director; and
- the applicable Performance Criteria and Performance Period.

If Shareholders approve Resolution 3 and Resolution 4, the Board intends to invite the Managing Director to accept an offer of 430,075 Performance Rights under the

Plan. Details of the Performance Criteria and Performance Period applicable to the proposed grant of Performance Rights to the Managing Director are set out in Schedule 1.

Transfers

The Plan does not allow the Managing Director to transfer Performance Rights, except by force of law upon death or bankruptcy, or if the Board gives its prior written consent (**Permitted Transfer**).

No consideration payable

No consideration is payable in respect of the grant of Performance Rights, nor is any amount payable upon the vesting of Performance Rights, or the subsequent issue of shares in respect of them.

5% cap

Broadly, the maximum number of securities which may be issued under the Plan (and any other employee share scheme operated by the Company) in a 5 year period is limited to 5% of the issued shares in the Company (calculated at the date of the invitation under the Plan), subject to a range of exclusions, including, for example, securities issued under a disclosure document, or which did not require disclosure because of section 708 of the Corporations Act.

Vesting of Performance Rights

A Performance Right granted to the Managing Director will vest:

- at the end of the Performance Period upon the Board giving written notice to the Managing Director of the number of Performance Rights in respect of which the Performance Criteria were satisfied over the Performance Period; or
- if the Board determines that it vests early as a result of an event such as a takeover bid or scheme of arrangement.

Notwithstanding that the Performance Criteria targets in respect of TSR may be met, if the **TSR** is negative over the Performance Period, the Board has the absolute discretion to decide if any of those Performance Rights vest.

Fully paid ordinary shares in the Company will be issued directly to the Managing Director within a reasonable time after a Performance Right vests.

Lapse of Performance Rights

A Performance Right granted will lapse on the earliest to occur of:

- the end of the Performance Period, if the Performance Criteria relating to the Performance Right have not been satisfied;
- the Managing Director purporting to transfer a Performance Right, other than a Permitted Transfer;
- the Managing Director ceasing employment, other than because of a Qualifying Reason (please see definition of “Qualifying Reason” below);
- if in the opinion of the Board, the Managing Director has acted fraudulently or

dishonestly or in breach of his obligations to the Company or any of its subsidiaries (together, the **Group**), and the Board determining that the Performance Rights held by the Managing Director should lapse; and

- an event such as a takeover bid or scheme of arrangement occurring (in certain circumstances subject to Board discretion).

Cessation of employment

As noted above, Performance Rights will automatically lapse when the Managing Director ceases to be employed by a member of the Group, other than because of a Qualifying Reason.

A **Qualifying Reason** includes the death, total and permanent disablement or retirement of the Managing Director, or the Managing Director ceasing to be employed by a member of the Group as a result of a relevant body corporate ceasing to be part of the Group or the sale of a business conducted by a member of the Group to a third party. The Board may also determine, in its absolute discretion, that any other reason will constitute a Qualifying Reason.

If the Managing Director's employment with a Group member ceases because of a Qualifying Reason, a proportion of the Managing Director's Performance Rights (calculated by reference to the number of days in the Performance Period which have elapsed as at the date of cessation of employment) will, subject to Part 2D.2 Division 2 of the Corporations Act, be capable of vesting if, over the Performance Period, the Performance Criteria in respect of those Performance Rights were satisfied. In such circumstances, the remaining Performance Rights of the Managing Director which do not vest, will lapse.

Adjustments upon alterations of capital

Subject to the ASX Listing Rules, if the Company makes a new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, then the Board may make adjustments to the Managing Director's Performance Rights (including, without limitation, to the number of shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the Managing Director as a result of such corporate actions.

Subject to the above adjustments, during the currency of any Performance Rights and prior to vesting and the issue of shares in respect of those Performance Rights, the Managing Director is not entitled to participate in any new issue of securities of the Company as a result of his holding of Performance Rights.

Amendments to the Plan

The Board may by written instrument amend all or any of the provisions of the Plan, with retrospective effect, provided that the amendment does not materially reduce the rights of the Managing Director as they existed before the date of amendment. The Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the ASX Listing Rules) amendments may be made even if they materially reduce the rights of the Managing

Director.

Mermaid Marine Employee Share Trust (EST)

The rules of the Plan are subject to the EST, which was established on 1 March 2012.

The EST was established to provide a single vehicle for the administration of existing and new long-term employee equity plans. The EST will provide a range of commercial benefits for the Company.

A summary of the key rules under the EST structure is set out below. This summary is not exhaustive.

Under the EST, the rules of the Plan provide that upon vesting of the Performance Rights:

- The Company must instruct the trustee of the EST (**Trustee**) to subscribe for, acquire and/or allocate, the relevant number of shares to the Managing Director (in respect of which Performance Rights have vested) within a reasonable time after vesting.

Subject to the Trustee receiving from the Company sufficient funds to subscribe for, or acquire, the shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new shares or acquire shares on market to be held on the Managing Director's behalf, or instruct the Trustee to use a combination of both alternatives.

- Legal title to the shares is held by the Trustee on trust for the Managing Director on the terms of the trust deed.
- Beneficial title to the shares is held by the Managing Director.
- Whilst the shares are held on trust by the Trustee on behalf of the Managing Director dividends payable on those shares will be paid by the Company to the Trustee, and the Trustee will pay any such dividends to the Managing Director as soon as reasonably practicable.
- Shares will be held by the Trustee on trust for the benefit of the Managing Director unless and until the shares are withdrawn from the trust by:
 - the Managing Director submitting to the Company a withdrawal notice;
 - the Board approving that withdrawal notice; and
 - the Trustee acting in accordance with any such approval by the Board by transferring the legal title in those shares, or by selling those shares, in accordance with the instructions of the Managing Director.

Section 260C(4) of the Corporations Act

The provision of funds by the Company to the Trustee to acquire shares in the Company on behalf of the Managing Director (as outlined above) may be considered to constitute "financial assistance" under the Corporations Act.

Section 260A of the Corporations Act provides that a Company may financially assist a person to acquire shares (or units of shares) in the Company if the assistance is

exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

In addition to Shareholder approval being obtained under ASX Listing Rules 7.2 (Exception 9), approval is also being sought for the purposes of section 260C(4) of the Corporations Act to allow the Company to provide funds to the Trustee to subscribe for, or acquire on market, the shares (upon the vesting of the Performance Rights) to be held by the Trustee on the Managing Director's behalf.

Directors' Recommendation

The Board, with Mr Jeffrey Weber abstaining, as he has an interest in the outcome of the Resolution, recommends that Shareholders vote in favour of Resolution 3.

Resolution 4 – Grant of Performance Rights to the Managing Director, Mr Jeffrey Weber

4.1 Background

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14, and for all other purposes, to issue up to 430,075 Performance Rights to the Managing Director, Mr Jeffrey Weber, pursuant to the Plan.

As detailed in the Remuneration Report of the Company's 2014 Annual Report, the Managing Director's remuneration comprises both a fixed component and an at-risk component (including both a short-term incentive and long-term incentive), which are designed to:

- remunerate the Managing Director for increasing shareholder value and for achieving financial targets and business strategies; and
- retain and reward the Managing Director for meeting prescribed performance criteria which are set by the Board with due regard to the Company's long-term strategy.

The number of Performance Rights proposed to be issued to the Managing Director under the long-term incentive component of the Managing Director's 2014 remuneration package (being 430,075 Performance Rights which are valued at \$480,344 and which equates to 50% of the Managing Director's fixed annual remuneration for the year) was determined by the Board having regard to an independent valuation of the Performance Rights by PricewaterhouseCoopers, which takes into account the Performance Criteria applicable to the Performance Rights.

4.2 Reasons Shareholder approval is being sought

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a director of a company or any of his or her associates. As Mr Weber is a Director, in accordance with the ASX Listing Rules, any issue of securities (including Performance Rights issued under the Plan) to him requires prior approval of Shareholders.

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14, and for all other purposes, to grant up to 430,075 Performance Rights to the Managing Director, Mr Jeffrey Weber, pursuant to the Plan, and for the issue of Shares to him on exercise of any such Performance Rights. Approval under ASX Listing Rule 10.14 is an exemption to the prohibition on a company issuing securities to related parties without shareholder approval under ASX Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 (Exception 14), if approval for the issue of Performance Rights is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

4.3 Specific information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following additional information is provided:

- **Maximum number of securities:** Under the terms of the Plan, and subject to Shareholder approval, Mr Weber will be granted a maximum of 430,075 Performance Rights (giving Mr Weber an entitlement to potentially acquire a maximum of 430,075 fully paid ordinary shares in the Company under the Plan).
- **Issue price:** No consideration is payable by Mr Weber in respect of the grant of Performance Rights, nor will any amount be payable on vesting of Performance Rights, or the subsequent issue of shares in respect of them.
- **Prior participation:** As the Plan is a new employee incentive scheme, no person has received Performance Rights under the Plan.
- **Future participation:** Mr Weber is the only person of the kind referred to in ASX Listing Rule 10.14 who is entitled to participate in the Plan.
- **Voting exclusion statement:** A voting exclusion statement for Resolution 4 is included in this Notice.
- **Loans:** No loans will be made to Mr Weber in relation to an acquisition of Performance Rights or shares under the Plan.
- **Date of issue:** It is proposed that, if Shareholders approve Resolution 4, all of the Performance Rights will be issued to Mr Weber as soon as practicable after the date of the AGM and, in any event, no later than 12 months after the date of the AGM.

Directors' Recommendation

The Board, with Mr Jeffrey Weber abstaining as he has an interest in the outcome of the Resolution, recommends that Shareholders vote in favour of Resolution 4.

Resolution 5 – Approval to change name of Company

Following the acquisition of all of the subsidiaries of Jaya Holdings Limited on 4 June 2014, the Company has significantly expanded the scale of its global operations, in particular in South East Asia. Currently, the Company is trading under the “*Mermaid Marine*” umbrella in Australia and as “*MMAS*” or “*Jaya – part of the Mermaid Marine Group of Companies*” internationally. The Company now wishes to consolidate its global operations under a single

common name and seeks shareholder approval to change its name to “*MMA Offshore Limited*”.

The Company has conducted extensive research and risk assessments on trading under the name “*Mermaid Marine*” internationally and has concluded that it is not a suitable name. This is due primarily to the presence of “Mermaid Maritime”, a Thai company listed on the Singaporean Stock Exchange with a presence in many of the Company’s core international markets. The Company seeks shareholder approval to change its name to “*MMA Offshore Limited*” for the following reasons:

- Consolidate the Mermaid Marine and Jaya operations under a single brand representative of our shared vision and direction for the Company’s future.
- Remove the reference to “Mermaid” to eliminate confusion or association with “Mermaid Maritime” in South East Asia.
- Reference to “MMA” retains a legacy link to the Company’s Australian heritage.
- Reference to “Offshore” denotes the fact that the Company operates in the broader Offshore Oil and Gas services industry and removal of the word “Australia” highlights the fact that we are now a company operating in a broad range of geographies.

Resolution 5 seeks Shareholder approval to authorise and approve the change of name.

Section 157(1) of the Corporations Act provides that in order for a company to change its name, it must pass a special resolution at a general meeting of shareholders adopting the new name. A special resolution is a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

The change of name will take effect on the day that the Australian Securities and Investments Commission approves the change of name and does not affect the legal status of the Company. Notification must also be made to the ASX of the name change.

Following the change of name, the Company’s ASX code will remain the same - namely (ASX:MRM).

The change of name will be reflected in the Company’s Constitution.

Directors’ Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

Schedule 1 – Performance Criteria and Performance Period in respect of grant of Performance Rights to the Managing Director, Mr Jeffrey Weber

The Performance Rights proposed to be granted to the Managing Director if Resolution 3 and Resolution 4 are passed by Shareholders will be subject to two Performance Criteria. The table below sets out the Performance Criteria which will determine the extent to which any such Performance Rights vest.

For the purposes of assessing the Performance Criteria, the relevant Performance Period is the period beginning on 1 July 2014 and ending on 30 June 2017.

Performance Criteria	No of Performance Rights which are subject to Performance Criteria	Performance Criteria targets	Percentage of Performance Rights specified which vest if target met
Normalised Earnings per Share (EPS) growth	69,817	Less than 6% Equal to 6% Between 6% and 12.5% Equal to or greater than 12.5%	Nil 50% 50-100% pro-rata 100%
Company's Total Shareholder Return (TSR) percentile ranking over the Performance Period relative to a selected Peer Group ¹	360,258	Below the 50th percentile At the 50th percentile Between 50th and 90th percentile At the 90th percentile	Nil 50% 50-100% pro-rata 100%

Normalised Earnings per Share (EPS) growth means the growth in earnings per share of the Company, annualised over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion (including any determination that the impact of one-off or non-recurring items should be excluded for the purposes of the calculation).

Total Shareholder Return (TSR) means, broadly, the increase in the share price plus dividends paid (calculated in Australian dollars), excluding franking credits and taxation, over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion.

¹ Notwithstanding that the Performance Criteria targets in respect of TSR may be met, if the TSR is negative over the Performance Period, the Board has the absolute discretion to decide if any of those Performance Rights vest.

Peer Group means the peer group comprising the following ASX listed companies (the composition of which may be changed by the Board in its absolute discretion):

XJO 20 Industrial (ASX: XNJ), Asciano Limited (ASX: AIO), ALS Limited (ASX: ALQ), Aurizon Holdings Limited (ASX: AZJ), Bradken Limited (ASX: BKN), Brambles Limited (ASX: BXB), Cabcharge Australia Ltd. (ASX: CAB), Cardno Limited (ASX: CDD), Downer EDI Limited (ASX: DOW), GWA Group Limited (ASX: GWA), Leighton Holdings Limited (ASX: LEI), Mineral Resources Limited (ASX: MIN), McMillan Shakespeare Ltd. (ASX: MMS), Monadelphous Group Limited (ASX: MND), Macquarie Atlas Roads Group (ASX: MQA), NRW Holdings Limited (ASX: NWH), Qantas Airways Limited (ASX: QAN), Qube Holdings Limited (ASX: QUB), Recall Holdings Limited (ASX: REC), SAI Global Limited (ASX: SAI), SEEK Limited (ASX: SEK), SKILLED Group Limited (ASX: SKE), Spotless Group Holdings Limited (ASX: SPO), Seven Group Holdings Limited (ASX: SVW), Sydney Airport Limited (ASX: SYD), Transurban Group (ASX: TCL), Toll Holdings Limited (ASX: TOL), Transpacific Industries Group Ltd. (ASX: TPI), Transfield Services Limited (ASX: TSE), UGL Limited (ASX: UGL), Veda Group Limited (ASX: VED).



MERMAID MARINE
AUSTRALIA LTD
ABN 21 083 185 693



┌ 000001 000 MRM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.30am (Perth time) on Sunday 16 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Mermaid Marine Australia Ltd hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Mermaid Marine Australia Ltd to be held at the Endeavour Shed, 1 Mews Road, Fremantle, Western Australia on Tuesday, 18 November 2014 at 10.30am (Perth time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3 and 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Ms Eva Alexandra (Eve) Howell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of Mermaid Marine Australia Ltd Managing Director's Performance Rights Plan - 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Grant of Performance Rights to the Managing Director, Mr Jeffrey Weber	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Business			
Resolution 5 Approval to change name of Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting (where appropriately authorised) intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

MRM

999999A

Computershare +