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22 November 2012

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

Dear Sir/Madam

2012 AGM: CHAIRMAN'S ADDRESS & MANAGING DIRECTOR'S PRESENTATION

Please find **attached** a copy of the Chairman's Address & Managing Director's Presentation to be presented to shareholders at today's Annual General Meeting for the Company.

Kind Regards

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DYLAN ROBERTS
Company Secretary

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Mermaid Marine Australia Limited

2012 Annual General Meeting

CHAIRMAN'S ADDRESS

Chairman's Address

Good morning ladies and gentlemen and welcome to Mermaid Marine Australia Limited's 2012 Annual General Meeting.

My name is Tony Howarth and I am the Chairman of MMA.

The Company Secretary advises me that we have a quorum present and I am therefore pleased to declare this meeting open.

Meeting Format

You will have received the Notice of Meeting and the Items outlined in that Notice will be discussed in the formal part of the meeting.

Prior to that, I will present a summary of MMA's performance for 2012 and how we see the outlook for the Company. Jeff Weber will then give a more detailed presentation on the operations of the Company after which time I will return to conduct the formal proceedings.

Introduction of the Board

I would like to start by introducing your Directors present here today:

- Our Managing Director – Mr Jeffrey Weber;
- Executive Director – Mr Jim Carver;
- Non-Executive Director – Mr Mark Bradley; and
- Non-Executive Director– Mr Andrew Edwards.

This year, I am delighted to welcome two exceptional additions to the MMA Board:

- Non-Executive Director - Ms Eve Howell. Ms Howell joined the Board in February 2012, bringing to MMA significant experience in the oil and gas industry, having held Senior Executive positions with a number of major international oil and gas companies, most recently Woodside Energy Limited; and
- Non-Executive Director – Mr Chiang Gnee Heng. Mr Heng joined the Board in July 2012, having served as a Director of MMA's Singaporean subsidiary since 2009. Mr Heng has extensive knowledge and experience within the fields of shipping, environment and safety and has extensive affiliations in the South East Asian region.

Ms Howell and Mr Heng will present to you a summary of their backgrounds and experience when they come up for re-election later in the meeting.

I would also like to introduce our Company Secretary – Mr Dylan Roberts.

Year in Review

I am very pleased to report that MMA delivered a solid financial result for shareholders in 2012.

Revenue for the year was \$380.4 million, an increase of 33% on 2011. Net Profit after Tax increased by 18% to \$51.0 million and Earnings per Share increased by 11% to 23.4 cents per share.

MMA, once again, increased its dividend payment to shareholders, paying a total fully franked dividend of 11 cents per share for the year, up 22% on 2011.

Demand for MMA's range of services was strong during 2012 with all divisions performing well albeit with some volatility throughout the year.

The construction of the Gorgon Project continues to drive strong demand for MMA's vessel and supply base services. Construction of this major project is expected to continue through to 2014 with key subsea installation work still to commence. Other key oil and gas projects under construction during the year were PTTEP's Montara Project and BHP Billiton's Macedon Project and MMA provided both vessel and supply base services to both of these projects.

The longer term outlook for the Australian oil and gas sector remains very positive. Three major LNG Projects have been sanctioned for development in the North West of Australia in the past 18 months; Shell's estimated \$12 billion Prelude Project, Chevron's \$29 billion Wheatstone Project and INPEX's \$32 billion Ichthys Project will all be constructed over the next 4 years.

Exploration activity is also strong with Chevron, Apache, Santos, Hess, Conoco Phillips and BHP Billiton all currently conducting drilling campaigns in the region.

MMA's diverse range of vessels and strategically located supply base facilities means the Company is capable of supporting these oil and gas projects through all phases of the development cycle; from exploration, to construction and into production.

MMA continued to invest in expanding its vessel fleet and supply base facilities in 2012. Two new vessels were delivered during the year, the Mermaid Leveque (the second Platform Supply Vessel in our fleet) and the Mermaid Strait (a new 53 meter Offshore Supply Vessel). Two additional similar vessels are currently under construction - another OSV, the Mermaid Cove, and a further medium sized PSV - in line with our strategy of expanding into this market segment.

MMA's acquisition of the Bis Industries Dampier Supply Base was completed in December 2011. This was an important strategic move for MMA, strengthening the Company's position as the leading supply base operator in the North West Shelf. The acquisition increased MMA's total land area in Dampier by almost 60% and enables MMA to continue to grow and take advantage of the strong activity in the region. The facility has been renamed "Mermaid Logistics Base" and initial demand for the new facility has been strong, with a number of new clients already moving onto the Base.

MMA's Broome Supply Base ("Toll Mermaid Logistics Broome" or "TMLB") which is operated through a joint venture with Toll Holdings Limited is also set to enter an exciting growth phase, as activity in the Browse Basin starts to ramp up. The joint venture has strategically

invested in its Supply Base infrastructure in Broome over the past few years and is now well placed to service the increased demand for land and services.

Project activity has already commenced on Shell's (estimated) \$12 billion Prelude Floating LNG Project and TMLB signed a five year Supply Base Services contract during the year to support the Project. Once built, the floating LNG facility will remain moored off Broome for 25 years and will drive continued strong activity through the Broome Supply Base over the coming years.

Development of INPEX's \$32 billion Ichthys Project will also be supported out of Broome and represents another significant opportunity for growth in the TMLB business.

The Company continues to face challenges associated with operating in the North West of Australia. Rising costs and productivity issues continue to impact operations. The negotiations around the new Supply Base Enterprise Bargaining Agreement were challenging but with the terms now agreed, the Company is focused on working with our people to rebuild morale, optimise productivity and continue to meet our clients' ongoing requirements.

MMA continues to have a relentless focus on safety and invests a considerable amount of time and resources in continuous improvement in this area. Last year we took a major step forward with the introduction of a tailored behavioural based safety programme "*MATES*", which has now been rolled out across the organisation. I am pleased to say that MMA's safety record continued to improve in 2012 with a Total Recordable Case Frequency of 2.7, a 36% reduction on the previous year and an 80% reduction over a 5 year period. This year, to drive continued improvement in our safety performance, we have introduced a new strategy "*Target 365: A Perfect Day Every Day*".

Target 365 involves an extensive training and communications programme aimed at the Company achieving "*A Perfect Day*" (meaning a day without incident or injury) "*Every Day*". An important objective of the programme is that all employees believe that a goal of zero incidents is possible and that everyone in the organisation works together to achieve this goal.

MMA's strategy remains focused on growing our integrated oil and gas marine services business within Australia whilst continuing to seek opportunities to expand into overseas markets. Internationally, the vessel market remains challenging but there are some signs of improvement. MMA is focused on increasing its presence in the South East Asian market and has enhanced its Singapore Office with a number of key personnel additions. This has enabled MMA to broaden its international client base and MMA will continue to focus on growing this aspect of the business focusing on the higher value end of the market.

MMA is in a strong financial position with relatively low gearing, cash reserves and access to debt facilities and is therefore well positioned to take advantage of future growth opportunities.

To sum up, your Company continues to perform well. The outlook for the Australian oil and gas industry is positive and MMA is well placed to continue to grow earnings and generate value for its shareholders.

Last but not least, I would like to take this opportunity to thank my fellow Board members for their valuable contribution during the year. I would also like to thank the Company's Senior Executive Team, led by Managing Director, Jeff Weber, and all the staff of Mermaid Marine for their dedication and commitment to achieving a strong result for shareholders in 2012. I look forward to 2013 and to continuing to deliver strong returns for you, our shareholders.

MERMAID MARINE AUSTRALIA LTD

Managing Director's Address



MERMAID MARINE
AUSTRALIA LTD

Jeffrey Weber



Disclaimer



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Future performance: *This document contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MMA, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither MMA nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.*

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Glossary of Terms



BMF	Burrup Materials Facility	JV	Joint Venture
CHESM	Contractor Health Environment Safety Management	LNG	Liquefied Natural Gas
DSB	Dampier Supply Base	MLB	Mermaid Logistics Base
EBIT	Earnings before Interest and Tax	NPAT	Net Profit after Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation	NWS	North West Shelf
EPS	Earnings per Share	OSV	Offshore Supply Vessel
FLNG	Floating Liquefied Natural Gas	PCP	Previous corresponding period
FPSO	Floating Production, Storage and Offloading	PSV	Platform Supply Vessel
FY	Financial Year	ROA	Return on Asset
GWF	Greater Western Flank	TRCF	Total Recordable Case Frequency
		YTD	Year to Date

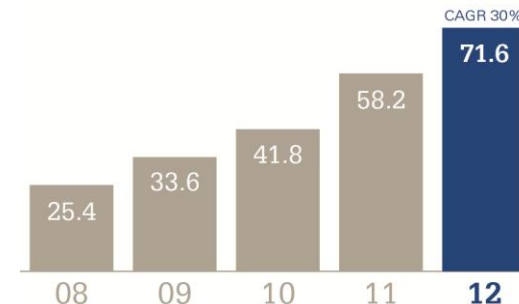
- Continued record of strong earnings growth in FY12
- Improvement in our safety performance
- Continued to expand the vessel fleet
- Significant expansion of Dampier Supply Base business
- Broome activity increasing
- Slipway utilisation remained solid
- Outlook remains positive with a number of large LNG projects sanctioned for development in the region

2012 Highlights

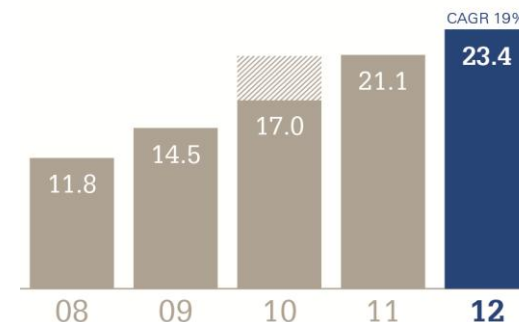


- Revenue \$380.4 million, **↑33.3%**
- Pre-tax profit \$71.6 million, **↑23.0%**
- Net profit after tax \$51.0 million, **↑18.3%**
- Earnings per share of 23.4c, **↑10.9%**
- Return on Assets 15.6%
- Return on Equity 17.3%
- Dividends 11c per share, **↑22.2%**
- Operating Cashflow \$79.6 million, **↑ 0.1%**
- Capex \$84.1 million
- Strong Balance Sheet – Gearing 32.0%
- Cash at Bank \$55.3m
- Safety – 36% reduction in TRCF to 2.7
- CHESM-A rated

Profit before tax \$71.6m **↗ 23.0%**

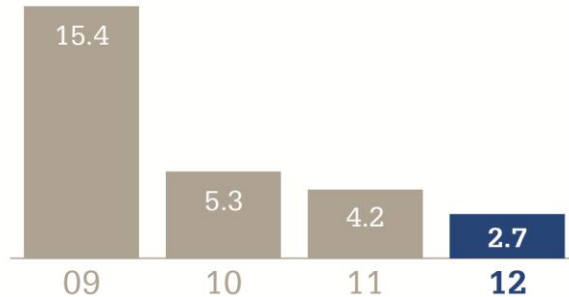


EPS 23.4c **↗ 10.9%**



Target 365: A Perfect Day Every Day

Total recordable case frequency



- MMA's TRCF has decreased 79% since 2009 to 2.7. The industry average for vessel companies is 9.8.
- Target 365 is a strategy developed by MMA to assist us in achieving an incident and injury free work place.
- The strategy focuses on each person coming to work every day with the aim of having a **Perfect Day**.



A PERFECT DAY
EVERY DAY

Vessel Operations... Continued strong performance



Financial highlights - FY12

- Revenue \$275.5m million, ↑30.1%
- EBITDA \$73.0 million, ↑25.9%
- ROA – 17.8%
- Vessel utilisation 77%

Operational update - YTD FY13

- Signed contract extensions to the value of \$60 million
- Awarded major contract by Santos to service FPSO in Carnarvon Basin worth \$15 million
- Continuing to expand fleet - OSV Mermaid Cove (Jan-13); PSV (Nov-13)
- FY13 YTD utilisation 80%
- 2nd half contract coverage still developing
- International market remains subdued but signs of improvement and successfully broadening customer base
- Vessel demand expected to increase in FY14





Dampier Supply Base... Strong earnings growth and continued expansion



Financial highlights – FY12

- Revenue \$92.6 million, **↑** 50.8%
- EBITDA \$41.7 million, **↑** 20.5%
- ROA 26.8%
- FY12 Margins impacted by costs and activity mix

Operational update - YTD FY13

- Strong demand for newly acquired Mermaid Logistics Base (MLB)
- Continuing to upgrade Dampier facilities
- Maintaining high cargo volumes across our wharf facilities
- BMF operation contributing to earnings
- Increased earnings driven by increased demand and increased infrastructure



Dampier Supply Base Facilities





Dampier Slipway... Solid performance, key strategic asset

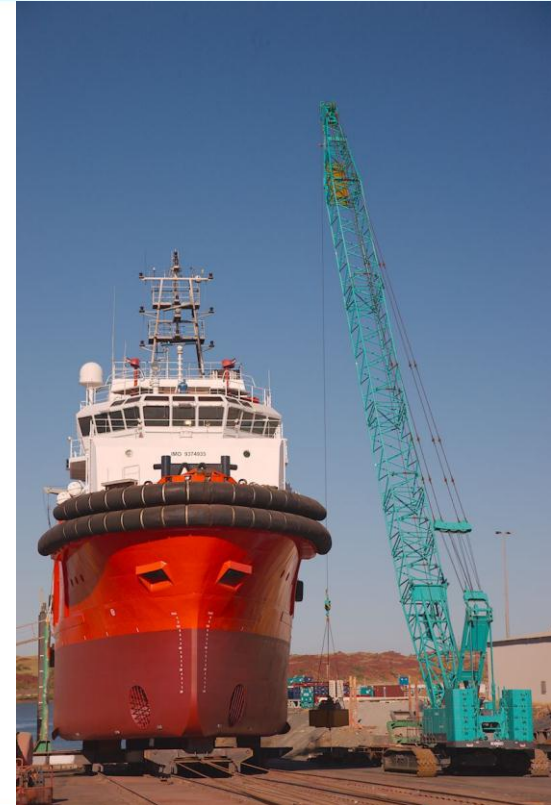


Financial highlights – FY12

- Revenue \$24.8 million, \uparrow 4.2%
- EBITDA \$2.7 million, \downarrow 22.9%
- ROA 15.2%

Operational highlights – YTD FY13

- Consistent utilisation in the first quarter
- Margin improvement through:
 - Cost control
 - Improved work planning
- Strategic asset – critical to maintaining flexibility in MMA's fleet

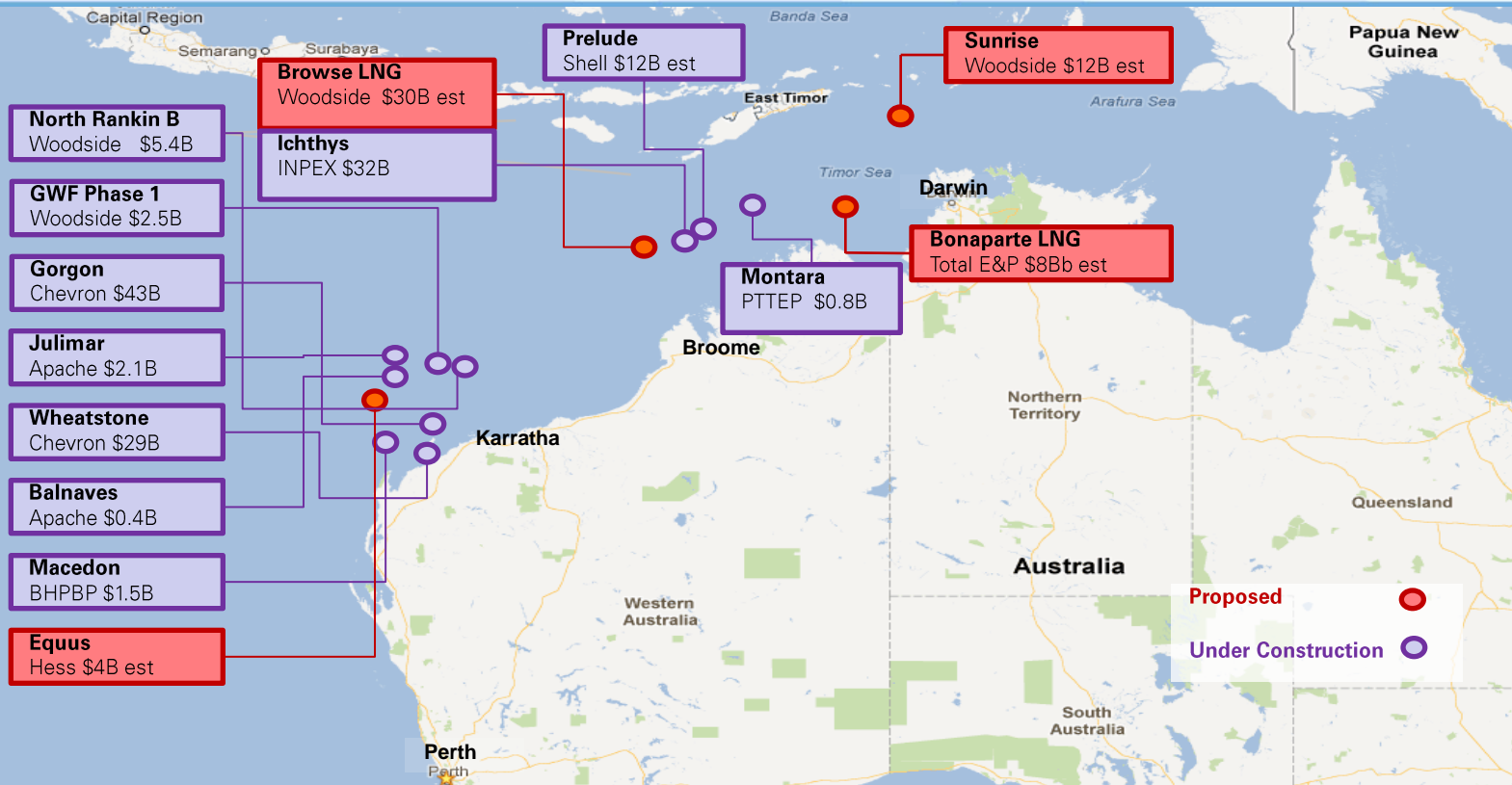


Broome Supply Base JV... activity increasing

- **Financial highlights – FY12**
 - MMA's share of JV NPAT \$0.4m (FY11 \$0.1m loss)
- **Operational update – FY13**
 - Multiple drilling campaigns planned for the year:
 - Conoco Phillips
 - Santos
 - Shell
 - Total
 - Murphy Oil
 - Providing logistics services for Gorgon Project
 - 2 major projects in the region now sanctioned (Shell Prelude FLNG, INPEX Ichthys)
 - Signed 5 year Supply Base Contract with Shell to support the Prelude Project
 - Continuing to invest in infrastructure to meet expanding client requirements
 - First quarter results indicating significant growth in earnings



Market Outlook



Investment in the Australian Oil & Gas Sector from Exploration through to Production remains at historical highs.

Note: MMA internal estimates are based on comparable sanctioned projects

On track to meet market expectations

Vessels

- Vessels YTD performance in line with expectations
- Awarded contracts for Macedon and Gorgon Domgas
- YTD vessel utilisation 80% in line with pcp
- Santos FPSO contract due to start in March 2013
- Actively pursuing a long term contract for the Mermaid Cove
- Vessel demand forecast to increase in FY14

Supply Base

- Strong first quarter
- Activity and personnel have increased on the DSB & MLB
- DSB moving to rosters in some areas to meet increasing demand
- Major upgrade completed on MLB
- Broome benefiting from increased activity
- Strong growth in overall supply base business

MMA is confident earnings growth will continue into FY13



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