



News Release

30 August 2005

Mermaid Marine's core business drives stronger result

The Chairman of Mermaid Marine Australia Limited, Mr. Alan Birchmore today announced a pretax profit for the year of \$4.0 million with an after tax result of \$2.5 million. This compares favourably to the pretax profit in 2004 of \$3.5 million. The 2005 result was impacted by a \$0.2 million write down of goodwill and a tax expense of \$1.5 million compared to a tax credit of \$0.7 million in 2004.

Mr. Birchmore said "The Company had forecast a difficult year due to the lack of project related work but the core vessel business performed strongly in the second half delivering a better than expected result. Mermaid Marine will continue to build on this result on the back of an unprecedented level of activity in the North West Shelf region and an improved service offer to our clients".

Group revenue from ordinary activities grew 51% to \$53.4 million and included asset sales of approximately \$3.9 million. Revenue from vessel operations increased by 33% with margins in line with the prior year. The result was also boosted by increased manning revenue and earnings. However, the lack of pipelay project work impacted the Dampier Supply Base result and the Broome Supply Base did not undertake any drilling support work during the year. Improved results are expected from both these operations over the next 12 months.

While the first half of the year was relatively quiet, the second half saw the Company supporting two major offshore developments, being the Mutineer Exeter FPSO installation for Santos and the John Brookes platform for Apache Energy. In addition, as advised to the market in October 2004, we were successful in winning a long term supply and offtake support contract with Santos for their Mutineer/Exeter field and the "Mermaid Storm" commenced operations in January 2005. This vessel will contribute a full year of earnings in this financial year.

The Company was also successful in winning another long term contract for supply and offtake support services for the Woodside Enfield Project and contracts have now been signed to begin construction of a US\$10 million vessel, the "Mermaid Sound". Combined with the delivery of the "Mermaid Investigator" in January 2006, the company will reach its goal of 50% contracted revenue for vessel operations over the next 12 to 18 months. Contracted vessel revenue for 2005 was approximately 35%, up from 27% in 2004, and on the back of increased overall vessel revenue.

Mermaid Marine Managing Director, Mr. Jeff Weber said, "I am relatively pleased with the result and confident of continuing to grow earnings in the future. We are building a strong business on the back of a substantial commitment to new assets and a focus on our core business. We have increased the depth of our management team during the year and have a number of exciting growth prospects under review".

Further information can be obtained from:

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