

**NOTICE OF INITIAL SUBSTANTIAL HOLDER**

To: Company Name/Scheme MRM - Mermaid Marine Australia Limited

ACN/ARSN 083 185 693

**1. Details of Substantial Holder(1)**

Name Acorn Capital Limited

ACN/ARSN (if applicable) 082 694 531

The holder became a substantial holder on 09-Dec-2008

**2. Details of Voting Power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Ordinary	11,146,796	11,146,796	6.09%

**3. Details of Relevant Interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest (7)	Class and Number of Securities
Acorn Capital Limited	Power to (or to control) exercise vote and/or dispose of the shares as discretionary investment managers or advisers to superannuation funds, pooled superannuation trusts, managed investment schemes and investment management agreements.	11,146,796

**4. Details of Present Registered Holders**

The persons registered as holders of the securities referred to in Paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person Entitled to be Registered as Holder (8)	Class and Number of Securities
Military Superannuation & Benefits Board	National Nominees		391,760
Queensland Local Government Superannuation	JP Morgan Chase Nominees		411,067
Catholic Superannuation Fund	National Nominees		533,587
Auscoal Superannuation Fund	JP Morgan Chase Nominees		766,858
Qantas Superannuation	National Nominees		1,023,066
Commonwealth Bank Officers' Superannuation Fund	Citicorp Nominees		1,037,674
Health Super	JP Morgan Chase Nominees		1,142,500
Sunsuper Fund	National Nominees		1,143,804
UniSuper	National Nominees		2,341,653
Acorn Capital Microcap Trust	National Nominees		2,354,827

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5. **Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and Number of Securities
		Cash	Non-Cash	
Acorn Capital Limited	01-Mar-2001 to 9-Dec-2008	\$13,891,442.44		11,146,796

6. **Associates**

The reasons the persons named in Paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Name of Association

7. **Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Military Superannuation & Benefits Board	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Queensland Local Government Superannuation	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Catholic Superannuation Fund	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Auscoal Superannuation Fund	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Qantas Superannuation	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Commonwealth Bank Officers' Superannuation Fund	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Health Super	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Sunsuper Fund	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
UniSuper	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Acorn Capital Microcap Trust	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000

Print Name BARRY FAIRLEY

Capacity Managing Director

Sign Here

Date 10-Dec-2008