

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Mermaid Marine Australia Limited

ABN

21 083 185 693

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Performance Rights under the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan - 2012 (MD Plan) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 317, 865 |

3 The principal terms of the Performance Rights under the MD Plan – 2010 and the Employee Plan – 2010 are:

The principal terms of the Performance Rights under the MD Plan are:

- An entitlement to one ordinary fully-paid share in Mermaid Marine Australia Limited for each Performance Right vested. Vesting only occurs at the end of the Performance Period (30 June 2015) and the number of Performance Rights that vest (if any) will depend on:
 - the growth in earnings per share of Mermaid Marine Australia Limited over a period of 3 years from 1 July 2012 to 30 June 2015; and
 - total shareholder return relative to a selected peer group of companies over a period of 3 years from 1 July 2012 to 30 June 2015.
- Unvested Performance Rights lapse on cessation of a holder's employment with the Mermaid Marine Group.
- Any Performance Rights that do not vest at the end of the Performance Period (30 June 2015) will lapse.

No consideration is payable in respect of the grant or upon vesting of the Performance Rights or the subsequent issue of shares in respect of them.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

No.

Prior to vesting, the Performance Rights do not carry a right to vote, receive dividends or generally participate in other corporate actions.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Ordinary shares allocated upon vesting of Performance Rights will rank equally with existing ordinary fully-paid shares.

5 Issue price or consideration

Nil

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Performance Rights are issued under the MD Plan, an incentive plan applying only to the Managing Director of the Company which was approved by shareholders at the AGM of the Company on the 22 November 2012.					
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	29 November 2012					
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="766 571 1069 604">Number</th> <th data-bbox="1069 571 1372 604">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 604 1069 828">223,694,865</td> <td data-bbox="1069 604 1372 828">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	223,694,865	Ordinary shares	
Number	+Class						
223,694,865	Ordinary shares						

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	94,293	Unlisted employee options – expiry 24 Jan 2013
	632,716	Unlisted senior employee incentive options – expiry 23 Sept 2013
	1,277,584	Managing Director Incentive Options - expiry 23 Sept 2013
	126,297	Unlisted employee options -expiry 18 Sept 2014
	2,805,264	Unlisted senior employee incentive options – expiry 18 Sept 2014
	1,488,356	Managing Director Incentive Options – expiry 18 September 2014
	722,919	Employee Performance Rights – Expiry 1 July 2013
	266,351	Managing Director’s Performance Rights – Expiry 1 July 2013
	1,096,734	Employee Performance Rights – Expiry 1 July 2014
	331,142	Managing Director’s Performance Rights – Expiry 1 July 2014
	594,888	Employee Performance Rights – Expiry 1 July 2015
	317,865	Managing Director’s Performance Rights – Expiry 1 July 2015

+ See chapter 19 for defined terms.
29/11/2012

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the ⁺securities will be offered

14 ⁺Class of ⁺securities to which the offer relates

15 ⁺Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders
- 25 If the issue is contingent on ⁺security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do ⁺security holders sell their entitlements *in full* through a broker?
- 31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:Date: 29 November 2012
(Company Secretary)

Print name: ...Dylan Darbyshire-Roberts.....