



MERMAID MARINE
AUSTRALIA LTD

2 November 2006

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The Listing Manager
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: BROOME SUPPLY BASE JV WITH TOLL

The Directors of Mermaid Marine Australia Limited (MMA) are pleased to announce the signing of a Joint Venture Agreement with Toll Holdings (Toll) to provide Supply Base Services in Broome. The two shareholders, MMA and Toll have formed a new company "Toll Mermaid Logistics – Broome" (TML – Broome) and will begin work immediately servicing a range of clients operating in the highly prospective Browse Basin.

The Managing Director of MMA, Mr Weber said, "The joint venture recognises the strengths of both companies and will provide our clients with world class services to support their current and emerging requirements in the Browse Basin region".

Work has already commenced storing drilling casing for our clients and lease agreements are being completed with the Broome Port Authority which will put the new company in an ideal position to service the expected future growth in activity. Contracts covering integrated supply base services are being finalised and commencement of new drilling campaigns is expected within the next month.

The Broome Supply Base operation will be managed by Mr Brian Philp who is a highly respected member of the Broome business community and has more than thirty years experience in oil and gas exploration and development.

By order of the Board
MERMAID MARINE AUSTRALIA LIMITED

PETER RAYNOR
Company Secretary

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