



MERMAID MARINE  
AUSTRALIA LTD

Eagle Jetty, 20 Mews Road

FREMANTLE WA 6160

T (+61) 8 9431 7431 F (+61) 8 9431 7432

E corporate@mma.com.au

W www.mma.com.au

ABN 21 083 185 693

16 May 2008

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

Dear Sir/Madam

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Please find attached a copy of the Notice of Extraordinary General Meeting of the Company to be held on Monday 16<sup>th</sup> June 2008. The notice together with a personalised proxy form has been mailed to shareholders today.

By order of the Board  
**MERMAID MARINE AUSTRALIA LIMITED**

**PETER RAYNOR**  
Company Secretary

### DAMPIER SUPPLY BASE

PO Box 822, KARRATHA WA 6714

Mermaid Road, DAMPIER WA 6713

T (+61) 8 9183 6600 F (+61) 8 9183 6660

### BROOME SUPPLY BASE

PO Box 3401, BROOME WA 6725

1 Port Drive, BROOME WA 6725

T (+61) 8 9192 2200 F (+61) 8 9192 2281



MERMAID MARINE  
AUSTRALIA LTD

Eagle Jetty, 20 Mews Road

FREMANTLE WA 6160

T (+61) 8 9431 7431 F (+61) 8 9431 7432

E corporate@mermaidmarine.com.au

W www.mermaidmarine.com.au

ABN 21 083 185 693

---

**Mermaid Marine Australia Ltd**

**ABN 21 083 185 693**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

---

**An extraordinary general meeting of the Company will be held at the  
Parmelia Hilton Hotel, Stirling Room, 14 Mill Street, Perth, WA, 6000 on  
Monday, 16 June 2008, at 10.30 am (WST).**

**Mermaid Marine Australia Ltd**

**ABN 21 083 185 693**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Mermaid Marine Australia Ltd (**Company**) gives notice (**Notice**) that an extraordinary general meeting of Members will be held at the Parmelia Hilton Hotel, Stirling Room, 14 Mill Street, Perth, WA, 6000 on Monday, 16 June 2008 at 10.30 am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, the Notes and the Proxy Form form part of this Notice. Terms and abbreviations used in this Notice, the Notes, the Explanatory Memorandum and the Proxy Form are defined in Item 4 of the Explanatory Memorandum.

**BUSINESS**

**1. RESOLUTION 1 - RATIFICATION OF PAST ISSUE OF SHARES**

To consider and, if thought fit, pass the following ordinary resolution.

*"That the following issue of equity securities by the Company is approved under Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes:*

- *18,847,095 fully paid ordinary shares in the capital of the Company to Australian and international institutional and professional investors on 8 May 2008 which were paid in full to \$1.45 each on application,*

*on the terms set out in the Explanatory Memorandum accompanying this Notice."*

**2. RESOLUTION 2 - APPROVAL OF PROPOSED ISSUE OF SHARES**

To consider and, if thought fit, pass the following ordinary resolution.

*"That the following proposed issue of equity securities by the Company is approved under Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes:*

- *4,704,975 fully paid ordinary shares in the capital of the Company to Australian and international institutional and professional investors which are to be paid in full to \$1.45 each on application,*

*on the terms set out in the Explanatory Memorandum accompanying this Notice."*

**3. RESOLUTION 3 - APPROVAL TO ISSUE SHARES TO RELATED PARTIES**

To consider and, if thought fit, pass the following ordinary resolution.

*"That the following proposed issue of equity securities by the Company is approved under Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes:*

- *1,379,310 fully paid ordinary shares in the capital of the Company to James Carver and/or his nominee which are to be paid in full to \$1.45 each on application; and*
- *68,620 fully paid ordinary shares in the capital of the Company to Tony Howarth and/or his nominee which are to be paid in full to \$1.45 each on application,*

*on the terms set out in the Explanatory Memorandum accompanying this Notice."*

#### 4. OTHER BUSINESS

To consider any other business brought forward in accordance with the Company's constitution or the law.

#### VOTING EXCLUSION STATEMENT

Under ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 1, 2 and 3 as set out below:

RESOLUTION	PERSONS EXCLUDED FROM VOTING
Resolution 1 – Ratification of past issue of shares	<ul style="list-style-type: none"><li>any person who participated in the issue of the shares; and</li><li>any associates of such person.</li></ul>
Resolution 2 – Approval of proposed issue of shares	<ul style="list-style-type: none"><li>any person who is to participate in the issue of the shares and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed; and</li><li>any associates of such person.</li></ul>
Resolution 3 - Approval to issue shares to related parties	<ul style="list-style-type: none"><li>James Carver and any associates of James Carver; and</li><li>Tony Howarth and any associates of Tony Howarth.</li></ul>

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a Member who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the Chairman of the Meeting as proxy for a Member who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides and the Member who is entitled to vote has indicated on the Proxy Form that the Chairman of the Meeting may vote as a proxy in relation to each resolution to which the voting exclusion relates.

**Date** 16 May 2008

**By order of the Board**  
**Peter Raynor**  
**Company Secretary**

## NOTES

These Notes form part of this Notice.

### Snapshot date

The Directors have determined that, for the purpose of voting at the Meeting, Members are those persons who are the registered holders of Shares at 5.00 pm (WST) on 14 June 2008.

### Appointment of proxies

Each Member entitled to vote at the Meeting may appoint a proxy to attend and vote at the Meeting.

A proxy need not be a Member and can be an individual or a body corporate.

A body corporate appointed as a Member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

### Lodgement of proxy documents

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the share registry of the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

By delivery:	By mail:	By fax:
Computershare Investor Services Pty Ltd Level 2, 45 St George's Terrace, Perth WA 6000	Computershare Investor Services Pty Ltd GPO Box 242, Melbourne Victoria 3001	+61 8 9323 2033

### Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**Important information**

This Notice, the Notes, the Explanatory Memorandum and the Proxy Form should be read in their entirety. If Members are in doubt as to how they should vote, they should seek professional advice from their accountant, solicitor or other professional adviser prior to voting.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice and has been prepared to assist Members to understand the business to be put to Members at the forthcoming Meeting.

### 1. RESOLUTION 1 - RATIFICATION OF PAST ISSUE OF SHARES

On 2 May 2008 the Company announced that it would make a placement (**Placement**) of 25,000,000 Shares to Australian and international institutional and professional investors to raise \$36,250,000.

The Placement is to occur in two tranches as follows:

- (a) the unconditional tranche, being the past issue of 18,847,095 Shares on 8 May 2008 the subject of Resolution 1 (**Unconditional Tranche Shares**); and
- (b) the conditional tranche, being the proposed issue of 6,152,905 Shares the subject of Resolutions 2 and 3 (**Conditional Tranche Shares**).

Member approval was not required to issue the Unconditional Tranche Shares as it did not involve the issue of securities in excess of the 15% threshold specified in ASX Listing Rule 7.1.

However, Member approval is now sought under ASX Listing Rule 7.4 to ratify the issue of the Unconditional Tranche Shares pursuant to Resolution 1 to refresh the Company's ability and flexibility to issue new securities up to the 15% threshold specified by ASX Listing Rule 7.1.

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities.

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to members for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) 18,847,095 Unconditional Tranche Shares were issued by the Company;
- (b) the issue price per Unconditional Tranche Share was \$1.45;
- (c) the funds raised by the issue of the Unconditional Tranche Shares will be used to fund the proposed capital expenditure for the expansion of the Dampier Supply Base and to support the Company's future growth plans;
- (d) the Unconditional Tranche Shares were issued to Australian and international institutional and professional investors on 8 May 2008;
- (e) the Unconditional Tranche Shares rank equally with the existing Shares;
- (f) \$27,328,287 will be raised by the issue of the Unconditional Tranche Shares; and
- (g) a voting exclusion statement is included in the Notice.

#### Board Recommendation

The Board recommends that Members vote in favour of Resolution 1 to ratify the issue of the Unconditional Tranche Shares.

2. **RESOLUTION 2 - APPROVAL OF PROPOSED ISSUE OF SHARES**

This resolution deals with the proposed issue of Conditional Tranche Shares to parties unrelated to the Company. Resolution 3 deals with the proposed issue of Conditional Tranche Shares to parties related to the Company.

ASX Listing Rule 7.1 provides that the prior approval of Members is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

4,704,975 Conditional Tranche Shares are proposed to be issued by the Company pursuant to Resolution 2 which will exceed the 15% threshold referred to in ASX Listing Rule 7.1 and, accordingly, Member approval under ASX Listing Rule 7.1 is sought.

Other than as set out in Resolution 3, the proposed issue of the Conditional Tranche Shares will be to persons who are not related parties of the Company and is placed before Members to allow the Conditional Tranche Shares to be excluded from the calculation set out in ASX Listing Rule 7.1.

ASX Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Members for the purposes of ASX Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the maximum number of Conditional Tranche Shares to be issued pursuant to Resolution 2 is 4,704,975;
- (b) the issue price per Conditional Tranche Share is \$1.45;
- (c) the funds raised by the issue of the Conditional Tranche Shares will be used to fund the proposed capital expenditure for the expansion of the Dampier Supply Base and to support the Company's future growth plans;
- (d) it is anticipated that, subject to Member approval, the Conditional Tranche Shares will be issued and allotted on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the ASX Listing Rules;
- (e) the Shares issued pursuant to Resolution 2 will be issued to Australian and international institutional and professional investors;
- (f) the Conditional Tranche Shares will rank equally with the existing Shares;
- (g) \$6,822,214 will be raised by the issue of the Conditional Tranche Shares the subject of Resolution 2; and
- (h) a voting exclusion statement is included in the Notice.

**Board Recommendation**

The Board recommends that Members vote in favour of Resolution 2 to authorise the proposed issue of the Unconditional Tranche Shares the subject of Resolution 2.

3. **RESOLUTION 3 - APPROVAL TO ISSUE SHARES TO RELATED PARTIES**

This resolution deals with the conditional tranche of the Placement.

ASX Listing Rule 10.11 provides that the prior approval of Members is required for an issue of equity securities to a related party or their associates. As approval is being sought



under ASX Listing Rule 10.11, the Company is not required to seek approval under ASX Listing Rule 7.1 for this portion of the Conditional Tranche Shares.

1,447,930 of the Conditional Tranche Shares are proposed to be issued by the Company to related parties or their associates pursuant to Resolution 3 and, accordingly, Member approval under ASX Listing Rule 10.11 is sought.

ASX Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to members for the purposes of ASX Listing Rule 10.11 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the maximum number of securities to be issued pursuant to Resolution 3 is 1,447,930 Shares;
- (b) the issue price per Conditional Tranche Share is \$1.45 per Share;
- (c) the proposed issue is part of the conditional tranche of the Placement;
- (d) the funds raised will be used to fund the proposed capital expenditure for the expansion of the Dampier Supply Base and to support the Company's future growth plans;
- (e) it is anticipated that, subject to Member approval, the securities will be issued on one date and in any event no later than 1 month after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the ASX Listing Rules;
- (f) 1,379,310 Shares will be issued to James Carver or his nominee, a Director of the Company;
- (g) 68,620 Shares will be issued to Tony Howarth or his nominee, a Director and Chairman of the Company;
- (h) the Shares issued pursuant to Resolution 3 will rank equally with the existing Shares;
- (i) \$2,099,499 will be raised by the issue of the Conditional Tranche Shares pursuant to Resolution 3; and
- (j) a voting exclusion statement is included in the Notice.

#### **Capital Structure of the Company**

The capital structure of the Company following successful completion of the Placement is summarised below:

Shares on issue as at 7 May 2008 (prior to the issue of the Placement Shares)	148,743,981
Unconditional Tranche Shares – Resolution 1	18,847,095
Conditional Tranche Shares – Resolution 2	4,704,975
Conditional Tranche Shares – Resolution 3	1,447,930
<b>Total</b>	<b>173,743,981</b>

## Directors' Recommendation

The Directors (other than James Carver and Tony Howarth) who do not have a material personal interest in the outcome of Resolution 3, recommend that Members vote in favour of Resolution 3. James Carver and Tony Howarth declined to make a recommendation in relation to Resolution 3 due to the fact that they have a material personal interest in its outcome.

## 4. DEFINITIONS

<b>ASX</b>	Australian Securities Exchange or ASX Limited, as the context requires
<b>ASX Listing Rules</b>	Listing Rules of ASX
<b>Board</b>	Board of directors of the Company
<b>Company</b>	Mermaid Marine Australia Ltd (ABN 21 083 185 693)
<b>Conditional Tranche Shares</b>	The proposed issue of 6,152,905 Shares to Australian and international institutional and professional investors as part of the Placement and subject to Member approval of Resolution 2 and Resolution 3
<b>Director</b>	A director of the Company
<b>Explanatory Memorandum</b>	The explanatory memorandum accompanying and forming part of the Notice
<b>Meeting</b>	The extraordinary general meeting of Members to be held at the Parmelia Hilton Hotel, Stirling Room, 14 Mill Street, Perth, WA, 6000 on Monday 16 June 2008 at 10.30 am (WST)
<b>Member</b>	Current holder of Shares
<b>Notes</b>	The notes accompanying and forming part of the Notice
<b>Notice</b>	The notice of extraordinary general meeting in respect of the Meeting and included the Explanatory Memorandum, Notes and Proxy Form
<b>Placement</b>	The placement of 25,000,000 Shares to Australian and international institutional and professional investors to be conducted by way of two tranches, the conditional tranche and the unconditional tranche
<b>Proxy Form</b>	The proxy form attached to the Notice
<b>Share</b>	A fully paid ordinary share in the capital of the Company
<b>Unconditional Tranche Shares</b>	The past issue of 18,847,095 Shares to Australian and international institutional and professional investors as part of the Placement and the subject of Resolution 1
<b>WST</b>	Western Australian Standard Time