



MERMAID MARINE
AUSTRALIA LTD

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26 November 2009

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

Dear Sir/Madam

2009 AGM: CHAIRMAN'S ADDRESS & MANAGING DIRECTOR'S ADDRESS

Please find **attached** the Chairman's Address & Managing Director's Address to be presented to shareholders at today's Annual General Meeting for the Company.

MERMAID MARINE AUSTRALIA LIMITED

DYLAN ROBERTS
Company Secretary

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Mermaid Marine Australia Limited

2009 Annual General Meeting

CHAIRMAN'S ADDRESS

Good morning ladies and gentlemen and welcome to Mermaid Marine Australia's 2009 Annual General Meeting. My name is Tony Howarth and I am the Chairman of the Company.

The Company Secretary advises me that we have a quorum and I therefore have pleasure in declaring the meeting open.

I will be presenting to you a summary of MMA's performance throughout this year, what this means for you as shareholders, the opportunities and challenges arising in our industry and the path ahead.

I would like to start by introducing your Directors present here today:

Our Managing Director – Mr Jeffrey Weber

Executive Director – Mr Jim Carver

Non-Executive Director – Mr Mark Bradley

And our Company Secretary – Mr Dylan Roberts.

As we advised to the market yesterday, Mr Jeff Mews resigned as a Director of the Company on Wednesday, 24th November. Jeff was a Director of Mermaid Marine Australia Ltd for ten years and made a valuable contribution to the development of the Company over that time. My fellow Directors and I would like to formally thank Jeff for his contribution to the Company and we wish him all the best in the future.

Accordingly, Jeff will not stand for re-election as a Director of the Company and as such, Resolution 3 on the Notice to today's AGM has been withdrawn.

The Company has immediately commenced the process of recruiting a new Director to the Board and will advise the market as soon as a new appointment has been made.

At the broader economic level, the 2009 financial year was a very challenging year. We saw the entire global financial system descend into crisis which significantly impacted asset values, balance sheets and the fundamental operating principles of companies. So much so, as we meet here today, there are a number of companies that did not survive the crisis.

That being so, your Board is very pleased that MMA has weathered the storm and has in fact delivered what it believes to be a very credible result.

Net Profit after Tax for the 2009 financial year increased by 48% to \$26.5 Million. This followed a 43% increase in Net Profit After Tax in the 2008 financial year and is a clear illustration of the strength and growth of MMA.

In line with the dividend policy announced by the Board in 2008, MMA paid out a total dividend of six cents per share for the 2009 financial year. This represents a 200% increase on the prior year. As reported at that time, the Board consider it is important that we transfer the franking credits that are generated within the Company to those that benefit from them the most, being you our shareholders. It is also important that we balance the ongoing capital requirements to sustain growth and the Board believes that it has achieved the right balance in this regard.

In the 2009 financial year MMA recorded a Total Shareholder Return of 25.6% versus minus 27.8% for the Small Ordinaries and minus 17.7% for the ASX 300. This put us in the top 40 companies in the ASX 300 for Total Shareholder Return. This is a good result given that we raised capital in May 2008 which has been invested in new assets which will not fully contribute to earnings until the 2010 financial year.

The Oil and Gas market in Australia has a very exciting future, particularly around new LNG developments. As the global economy deals with the challenge of reducing carbon emissions, LNG has the potential to be a significant part of the solution and is arguably one of the key commodities for the Australian economy. Australia is well positioned geographically with a substantial percentage of the global LNG consumers on our doorstep in Asia.

LNG projects have enormous development costs and run for decades so political stability is equally important. Energy is an internationally competitive business and the costs of construction are an important factor in making investment decisions. As a country we need to have industrial stability and a competitive workforce to ensure the industry is sustainable if we are to all share the enormous opportunities and benefits over the long term.

Over the last year your company has been heavily involved in the offshore construction of the Woodside Pluto Project, providing supply base and vessel support.

As I am sure you are aware, the Joint Venture Partners, Chevron, Shell and Exxon Mobil announced their commitment to the Gorgon Project in September of this year. This will be the largest construction project undertaken in Australia and has significant implications for both the state of Western Australia and the whole of Australia. MMA is well positioned to take advantage of the demand for support services to construct an LNG plant of this scale.

In December 2008, the company announced that it had secured a five year lease on our Dampier Supply Base to support the Gorgon Project. This contract required us to upgrade sections of the Dampier Supply Base to suit the requirements of the Gorgon supply chain. A total of \$44 million was spent over the course of the year, with the majority of that going towards the extension of our wharf facility at the Dampier Supply Base and commencement of the Gorgon upgrade works. The transformation at the Dampier Supply Base is quite dramatic as you will see during the Managing Director's presentation in which he will highlight these changes. Subsequent to securing the Chevron Lease on the Dampier Supply Base, the Company recently announced that it has also secured a four year contract to undertake stevedoring and associated services for the Gorgon Project. This contract involves quarantine activities, loading and discharging of vessels, provision of pilots and supply of harbour tugs for the safe berthing of vessels.

While the Dampier Supply Base continues to expand and develop, our Broome Supply Base business, Toll Mermaid Logistics Pty Ltd (TMLB), which is operated in conjunction with our joint venture partner Toll Holdings Ltd, has also made significant progress. A new 3.2 Hectare supply base is now in operation at an ideal location adjacent to the Broome Port. A 3 Hectare casing yard is up and running together with a 3000 sqm undercover storage facility at the Port. Broome is ideally positioned to service the highly prospective Browse Basin region where Woodside, Inpex, Shell, Santos, Apache, Conoco Phillips, BHP Billiton and Murphy Oil have leases. TMLB provided supply base services to all of these companies over the last 2 years.

MMA's core vessel business also delivered a strong result for 2009. We have continued to grow the fleet, investing in excess of \$129million in new tonnage over the last four years. During this time, the average age of the fleet has dropped to approximately ten years. In the 2010 financial year, your Company will take delivery of an additional four new vessels for a total expenditure of \$68 million.

A key part of our strategy is to ensure that we continue to meet market demand. With demand set to increase, we need to ensure that we move with it. We are also focussed on selectively building capability in the exploration sector of the market. The purchase of the Mermaid Vision in June of this year is a positive step in that direction. This vessel is currently supporting construction for the Woodside Pluto Project but is capable of supporting operations in both the exploration and construction sectors of the market.

Your Company's international operations also made a strong contribution during 2009. Currently the Mermaid Discovery is operating in Egypt and the Crest Diamond, now owned by MMA, the Miclyn Glory and Swissco Sovereign are operating in Angola. These vessels are all working for our client Geokinetics, supporting seismic survey activities. These are challenging places to work and it is testament to the management depth of the Company that we have been able to build our international operations so quickly. We announced on Tuesday that we had purchased a new 70 metre, DP II Platform Supply Vessel and have a Letter of Intent from Geokinetics to charter the vessel for 18 months. This is a great outcome for the Company and a strong endorsement of our international operating capability. By December 2009 we will have five vessels trading under a Singapore flag effectively allowing them to trade anywhere in the world with an international crew.

Over time we need to broaden our international market exposure. To this end, we have recently appointed a new Director with significant industry experience to the Board of our Singapore Company to assist in developing a longer term strategy for this part of our business. In addition, we have appointed a new Commercial Manager in Singapore who has transferred from our Australian operations.

Those of you looking at the Company's web site will have seen a substantial revision and upgrade of our corporate governance policies during the year. The changes reflect the ASX corporate governance principles and recommendations (2nd Edition) released in August 2007.

As the Company has grown, so too has the need to ensure that its policies are appropriate for its operations and in tune with community expectations. Executive remuneration structure and disclosure in the remuneration report will continue to be benchmarked against industry best practice and incorporate the ASX corporate governance principles and recommendations with the objective being to ensure that there is a clear relationship between senior executive performance, company performance and remuneration. It is important that corporate governance continues to be, like all we do at MMA, appropriate for the Company and focused on shareholder value.

Overall your Company has performed well in a challenging year. 2009 has been as volatile as any year experienced by MMA since it was listed in 1999. This leads me to highlight an important milestone. As of this year, MMA has been listed for 10 years. I am sure you will agree it has come a long way in that time. There are many factors that contribute to success in a company but I believe having a clear strategy, a committed board, a strong executive team and a capable and dynamic workforce has stood this Company in good stead.

I would like to take this opportunity to thank your Board members who have provided great support during a time of significant uncertainty. I would also like to acknowledge the contribution from the Managing Director, Jeff Weber, the Senior Executive Team and all the staff of the Company who have worked hard to achieve the successes we have seen over the last year. I look forward to 2010 with some optimism that the economic environment will continue to improve and the Company's exposure to the offshore oil and gas market will continue to drive earnings growth.

2009 Annual General Meeting

Managing Director's Address

Jeffrey Weber



MERMAID MARINE
AUSTRALIA LTD

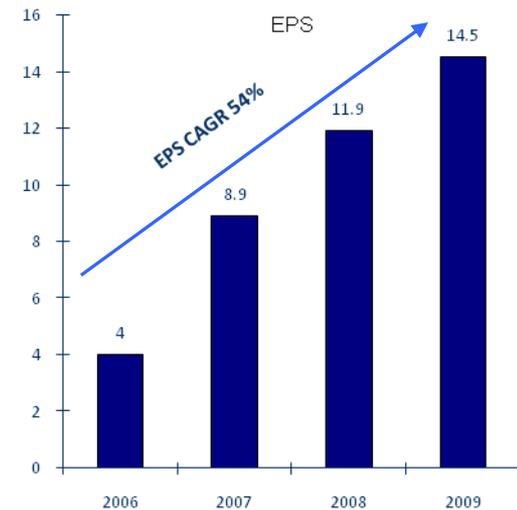
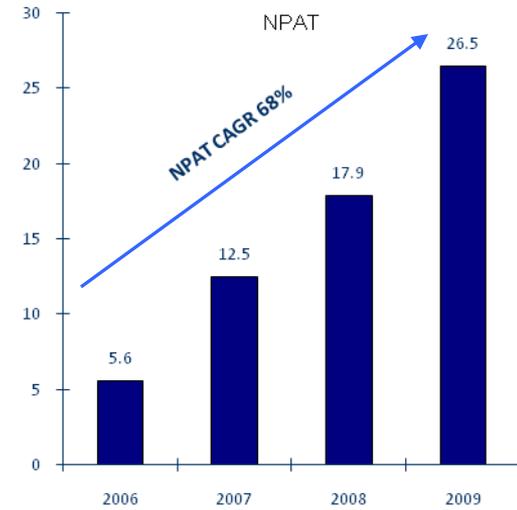


Introduction

- Year of extraordinary volatility
 - A\$
 - Oil Price
 - Credit Markets
 - Equity Markets
- Exposed to an industry that has continued to invest through the cycle
- MMA had a balance sheet that also allowed investment for future growth
- MMA is well positioned to take advantage of the emerging opportunities in the Oil & Gas sector

Financial Year 2009 – strong result in a challenging year...

- Revenue \$163.9 million up 10%
- NPAT \$26.5 million up 48%
- EPS 14.5 cps up 23%
- Full Year Dividend 6c/share
- Net Operating Cashflow \$26.0 million
- Capital expenditure \$44 million
- Safety : Maintained improvement in key ‘All Injury’ measure
- Gearing 35.5%



Vessel Division – continuing to invest in new vessels...

Financial Highlights FY2009

- Revenue \$133.6 million up 2.5%
- EBITDA \$41.6 million up 18%
- ROA – 20% before corporate O/H
- Vessel Utilisation 75%

Operational Update YTD FY2010

- Delivery of Mermaid Vision & Mermaid Voyager
- Mermaid Voyager chartered to Apache for 12 months
- Purchase of new 5150 BHP AHTS Mermaid Vantage
 - Delivery November 2009
- YTD 2010 contracted 4 new vessels
 - Capital cost - \$68 million
- YTD Vessel utilisation 75%



International Vessel Business – secured ongoing work

- Mermaid Discovery – operating in Egypt since May 2008
 - Charter extended for 12 months to November 2010
- Crest Diamond, Miclyn Glory, Swissco Sovereign – operating in Angola
 - Current charter expires in April 2010
 - Ongoing negotiations for potential extension
- New 70 Metre PSV purchased for delivery December 2010
 - Letter of intent to charter to Geokinetics for 18 months from April 2010
- Moved to new larger office premises in Singapore
 - Appointed new Commercial Manager
 - Appointed Technical Superintendent
- 2010 target is to consolidate our international operating capability
 - Crewing
 - Systems
 - Management

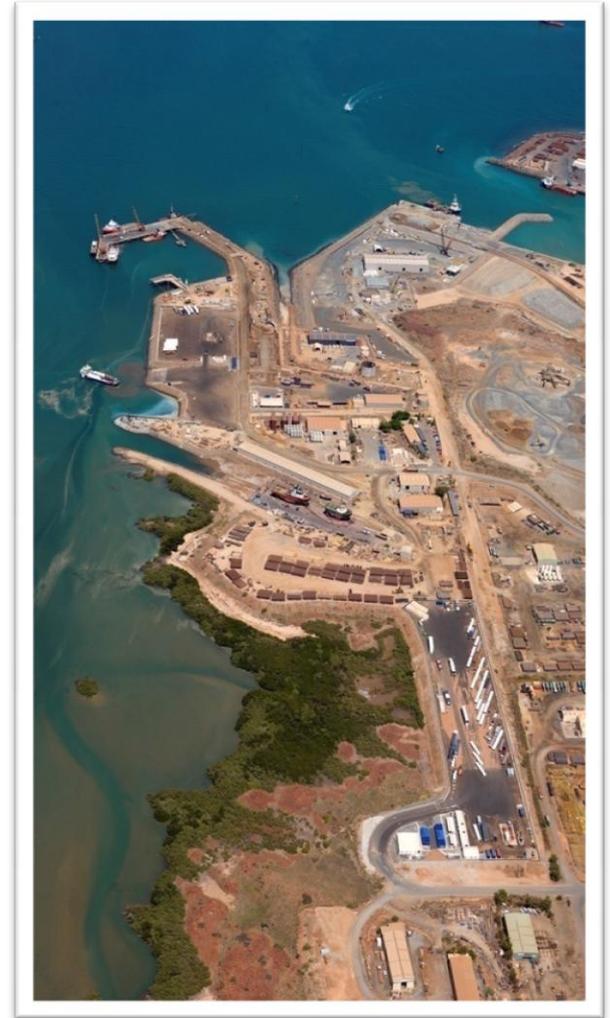
Supply Base & Slipway – substantial infrastructure developments...

Financial Highlights FY2009

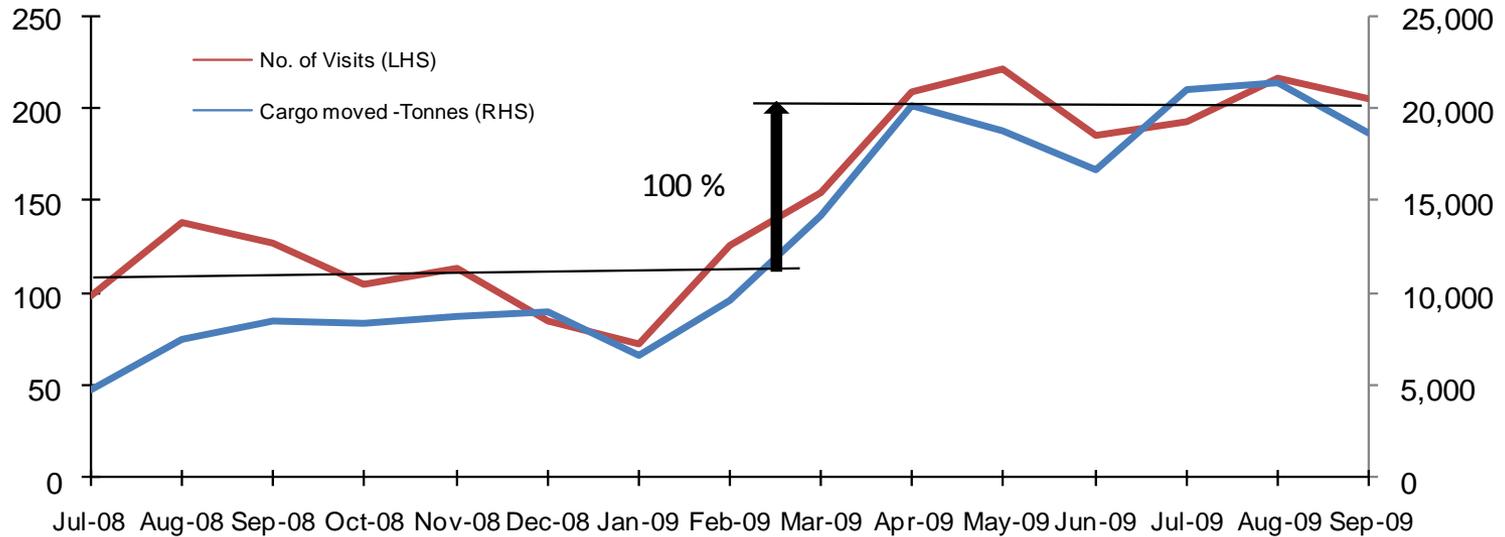
- Revenue \$36.9 million up 57%
- EBITDA \$12.1 million up 44%
- ROA 15.1% before corporate O/H

Operational Update YTD FY2010

- Initial Gorgon areas handed over
 - Improved rental payments commenced
 - Expect completion of upgrade works Feb 2010
 - Services income from stevedoring contract
- Full year of wharf extension
- Secured contract to provide services on Woodside Bulk Materials Facility
- Secured Hess as new client – exploration
- Slipway solid bookings
- Broome – performing marginally above expectations



New Dampier Wharf – extra berths driving increased activity...



Mermaid Marine Supply Base, Slipway & Wharf



October 2008

Mermaid Marine Supply Base, Slipway & Wharf



Mermaid Marine Supply Base, Slipway & Wharf



Strategy – critical component of our success...

- MMA has a robust 5 year strategy that is reviewed annually to ensure validity
- Demand drives investment
 - Comprehensive review of the market
 - Analysis of subsequent demand
 - Review of fleet configuration and infrastructure required to meet demand
- This strategy has proven to be resilient throughout the recent downturn

Market Outlook – LNG project expenditure at historic levels...

Opportunities

- Potential for substantial increase in LNG developments over the medium term - >\$200bn proposed
- Woodside Pluto project offshore construction to continue through 1st half of FY2010
- Apache Devils Creek Project expected to commence construction in Q3 FY2010
- Esso Kipper project Bass Strait expected to commence Q4 FY2010
- Gorgon project announced FID

Risks

- Increased competition
- Project delays

Trading Update

- First half trading in line with expectations
- Forecast first half 2010 pre-tax profit to exceed first half 2009 pre-tax profit by approximately 25%
- Company remains positive on second half earnings
 - Gorgon project – increasing activity
 - New vessels
 - Wharf utilisation
 - Additional Supply Base work - Woodside Bulk Materials Facility

Summary

- 2009 excellent result in a challenging year
- Invested in new infrastructure and assets to drive future growth
- Dampier Supply Base earnings to increase in FY2010
- International business operating well and have announced ongoing international contracts
- Continuing to build project capability
- Oil & Gas market in Australia to experience substantial growth
- Year to date trading substantiates earnings growth in 2010

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