



MERMAID MARINE
AUSTRALIA LTD

26 October 2010

The Listing Manager
Australian Stock Exchange
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RE: MMA successfully raises \$35 million to fund growth opportunities

Mermaid Marine Australia Ltd (ASX: MRM, "MMA" or "the Company") is pleased to announce that it has successfully completed a placement to institutional investors to raise gross proceeds of \$35 million.

The placement was priced at \$2.61 per share, a 3.7% discount to the last closing price on 25 October 2010 and will result in the issue of 13.4 million new shares, representing approximately 7.1% of the existing issued share capital of the Company.

MMA's Chairman, Mr Tony Howarth commented, "*We are very pleased with the strong level of support shown for the placement. Due to exceptionally strong demand the offer was increased above the previously announced \$30 million.*"

MMA's Managing Director, Mr Jeff Weber commented, "*MMA is at an exciting stage in its development and we are currently assessing a number of growth opportunities in both the Australian and international oil and gas markets. This successful raising will provide the Company with the balance sheet flexibility to execute our long term strategy and pursue opportunities in the exploration and drilling market sectors. I believe the timing is right and am confident that the Company will effectively deploy the funds to continue to deliver strong shareholder returns.*"

Morgan Stanley acted as sole lead manager to the placement.

Settlement of the placement is expected to occur on Friday, 29 October 2010 with quotation expected on Monday, 1 November 2010.

MMA also plans to offer eligible shareholders as at 5:00 pm Perth time on 25 October 2010 ("**the Record Date**") an opportunity to participate in a Share Purchase Plan ("**SPP**") allowing them to acquire up to \$15,000 in new MMA shares. The price of MMA shares under the SPP offer will be set at the lower of the placement price and the price equal to a 2.5% discount to the

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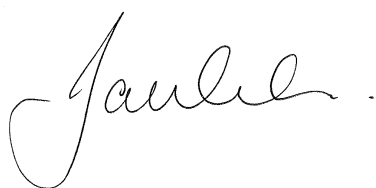
5-day VWAP of MMA shares prior to and including the SPP closing date. Details of the SPP will be sent to shareholders in the near future.

For further information please contact:

Mr. Jeffrey Weber, Managing Director – 0418 855 275

Mr. Peter Raynor, Chief Financial Officer – 0418 901 620

MERMAID MARINE AUSTRALIA LIMITED



JEFFREY WEBER
Managing Director

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