



MERMAID MARINE
AUSTRALIA LTD

29 December 2010

The Listing Manager
Australian Securities Exchange Ltd
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

CORPORATE OFFICE

Endeavour Shed, 1 Mews Road
FREMANTLE WA 6160
PO Box 715, SOUTH FREMANTLE WA 6162
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

Dear Sir/Madam

RE: Mermaid Marine Awarded Chevron Australia Dampier Supply Base Services Contract

The Directors of Mermaid Marine Australia Ltd (MMA) are pleased to announce that the Company has been awarded a contract for the provision of Supply Base Services by Chevron Australia (Chevron). The Supply Base Contract is in support of Chevron's exploration and production drilling activities off the North West Shelf and ongoing production facilities on Thevenard Island.

The Supply Base Contract will commence in January 2011 for an initial 3.5 year term plus options to extend. The services to be provided at MMA's Dampier Supply Base include; general supply base services, stevedoring and related wharf services and the provision of dedicated personnel, equipment and offshore containers. The contract also includes the provision of laydown areas, office space and warehouse space.

MMA's Dampier Supply Base is strategically located to service exploration, production and construction activities in the North West Shelf and is the subject of an ongoing program of expansion and redevelopment. Recent infrastructure development has seen the construction of a 2250m² warehouse and a \$25 million extension to MMA's private wharf facility. MMA will invest approximately \$5 million to upgrade the facilities and infrastructure to support this contract.

The award of the Supply Base Contract follows the news in June/July of this year that MMA had secured a further three Chevron contracts to transport cargo, water and fuel from mainland Australia to Barrow Island. Since March 2010 MMA has also been providing all stevedoring and supply base services in areas of the Dampier Supply Base which are being used by Chevron as the North West supply base for the Gorgon Project. This includes the provision of equipment, personnel, quarantine preparation and harbour tug support.

MERMAID MARINE ASIA PTE LTD

81 Tras Street, SINGAPORE 079020
T (+65) 6220 7388 F (+65) 6223 7383

DAMPIER SUPPLY BASE

MERMAID SUPPLY BASE PTY LTD
PO Box 822, KARRATHA WA 6714
Mermaid Road, DAMPIER WA 6713
T (+61) 8 9183 6600 F (+61) 8 9183 6660

BROOME SUPPLY BASE

TOLL MERMAID LOGISTICS BROOME PTY LTD
PO Box 3401, BROOME WA 6725
1 Port Drive, BROOME WA 6725
T (+61) 8 9192 2200 F (+61) 8 9192 2281

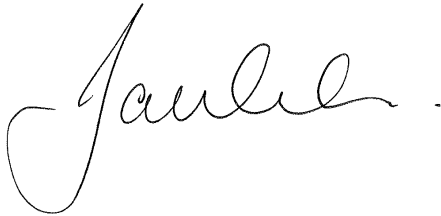
MMA Managing Director, Mr Jeff Weber said; “MMA is very pleased to be able to offer its continued support to Chevron’s operations in the Northwest.”

“Our Dampier Supply Base provides a multi user facility capable of servicing the range of operators working off the North West Shelf and is the only private facility of this nature in the region. Accordingly, MMA is in the unique position of being able to offer its clients in the North West Shelf the full range of marine logistics services from vessel support and Supply Base services, to ship repair and maintenance facilities.”

“We have extensive experience in the provision of stevedoring services and the additional logistics support services expected in a fully functioning supply base and look forward to supporting Chevron in this capacity.”

Kind Regards

MERMAID MARINE AUSTRALIA LIMITED



JEFFREY WEBER

Managing Director

For further information please contact:

Mr. Jeffrey Weber, Managing Director – 0418 855 275

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