

The 2004/5 year was a big step down the right road, in which the company registered far greater success than can simply be found in the earnings statement - it was a cornerstone year.

A presentation from Jeff Weber, Mermaid's CEO follows. He will report on the company's progress towards future profitability. From figures to the end of October and work in hand, it is clear that current year, trading will comfortably exceed the 04/05 result. His comments will shed further light on that, and how recent corporate moves will give considerable added momentum to sustainability and earnings growth.

Believing that the best early indicator of future profitability is often current investment, I draw your attention to the 440% growth in capital equipment and infrastructure spending last year.

Including the acquisition from the Integrated Group of 5 vessels for \$23.8m - expenditure on such items this year, will grow a further 365% to \$46.6m.

These are substantial outlays, but they send the strongest signals for future earnings. The equipment is contracted ahead of delivery and is a key to the new Mermaid Marine.

Our customers, the major oil and gas companies are all heavily committed to large developments in the region. Viewed now, this was surely inevitable in the North West where the reserves of gas in particular are of world class and the demand for new energy resources has risen with the cost and scarcity of reliable supply.

With faith that WA's offshore energy sector would grow, Mermaid committed to satisfy these expanding needs through a fully integrated onshore/offshore service. The model was logical, but implementation often frustrating and development invariably slower than we would have wished. However, the concept was right and there can be no doubt about that now.

The fleet will continue to be Mermaid's largest revenue generator, but new state of the art, more powerful vessels contracted to major operators are either being delivered now, or being built to customer specifications. By mid 2006, the fleet will comprise more than 25 vessels and the average age will have halved.

The supply base has seen significant development this year and will soon reward the company for the time, expense and effort committed to that asset.

From Stock Exchange announcements, it is not difficult to estimate that new projects on the North West Shelf alone will comfortably exceed \$30bn, with developments in the Browse Basin not far behind. There is a new wind blowing in the North West and it is no accident that our company is now extremely well placed to fully benefit from this unique situation.



Annual General Meeting 2005

“Eagle Jetty”

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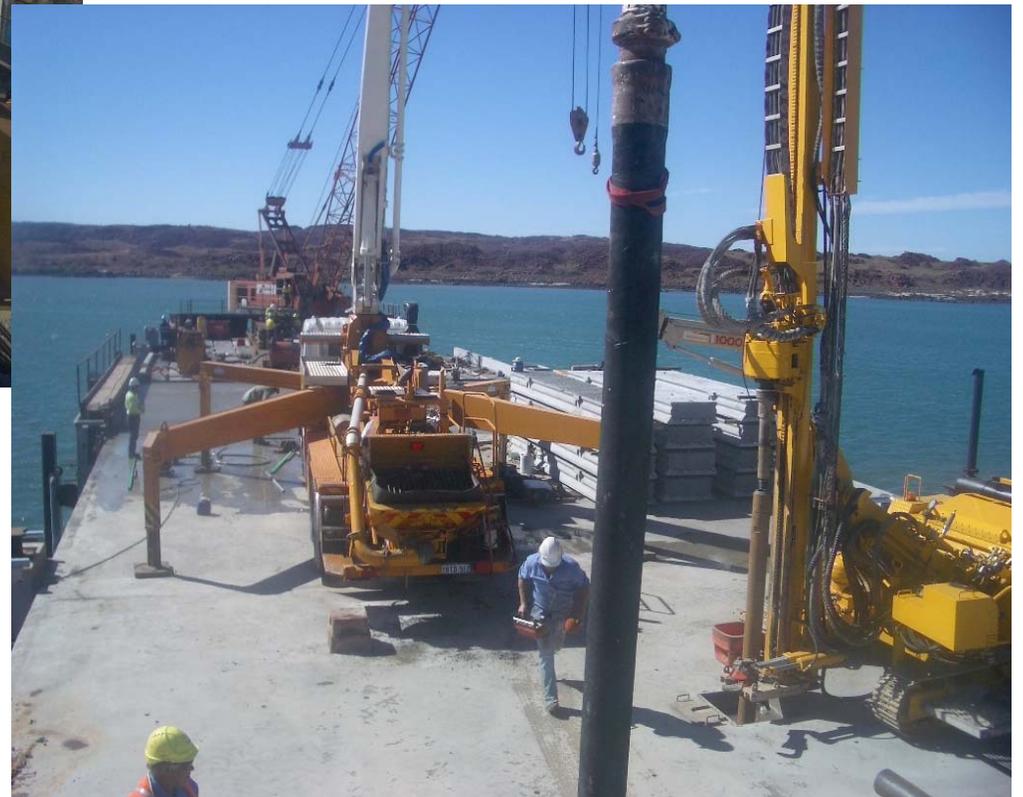
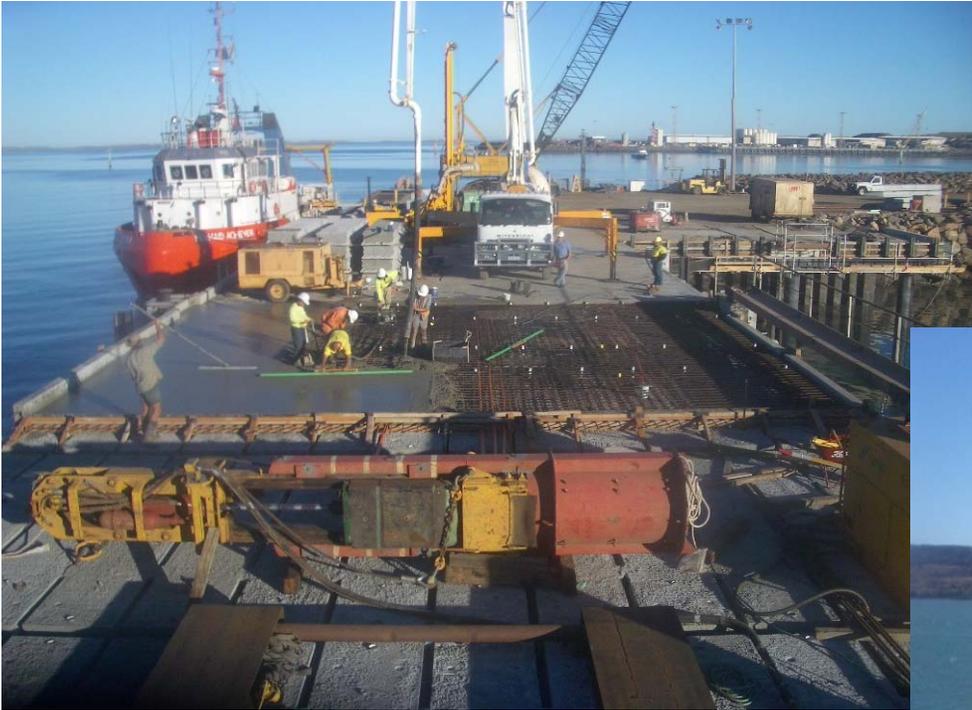
WELCOME

KEY ACHIEVEMENTS DURING 2005 FINANCIAL YEAR

Full Year Result:	- \$4.0m pre-tax, \$2.5m post tax
New Vessels:	<ul style="list-style-type: none">- Delivery of Mermaid Venture \$3.0 million- Purchase of Mermaid Guardian \$6.3 million<ul style="list-style-type: none">- On contract in Russia until October 2005- Currently on contract to Roc Oil for Cliff Head Project
Wharf Extension:	- Commenced construction of \$5.5 million expansion of wharf facility - 60 metres with access both sides
New Contracts:	<ul style="list-style-type: none">- Won new contract to build and operate offtake support vessel for Woodside Enfield Project- Commenced Execution Santo's 5 year offtake support/supply contract.



WHARF EXTENSION





NEW CONTRACTS

Mermaid Sound - Woodside

- ❑ **5yr contract for offtake support and supply for Woodside \$1.4bn Enfield Project (Offtake support involves assisting offtake tankers berthing at FPSO's and providing static tow during the offtake operations)**
- ❑ **USD 10m vessel specifically designed and due for delivery December 2006**

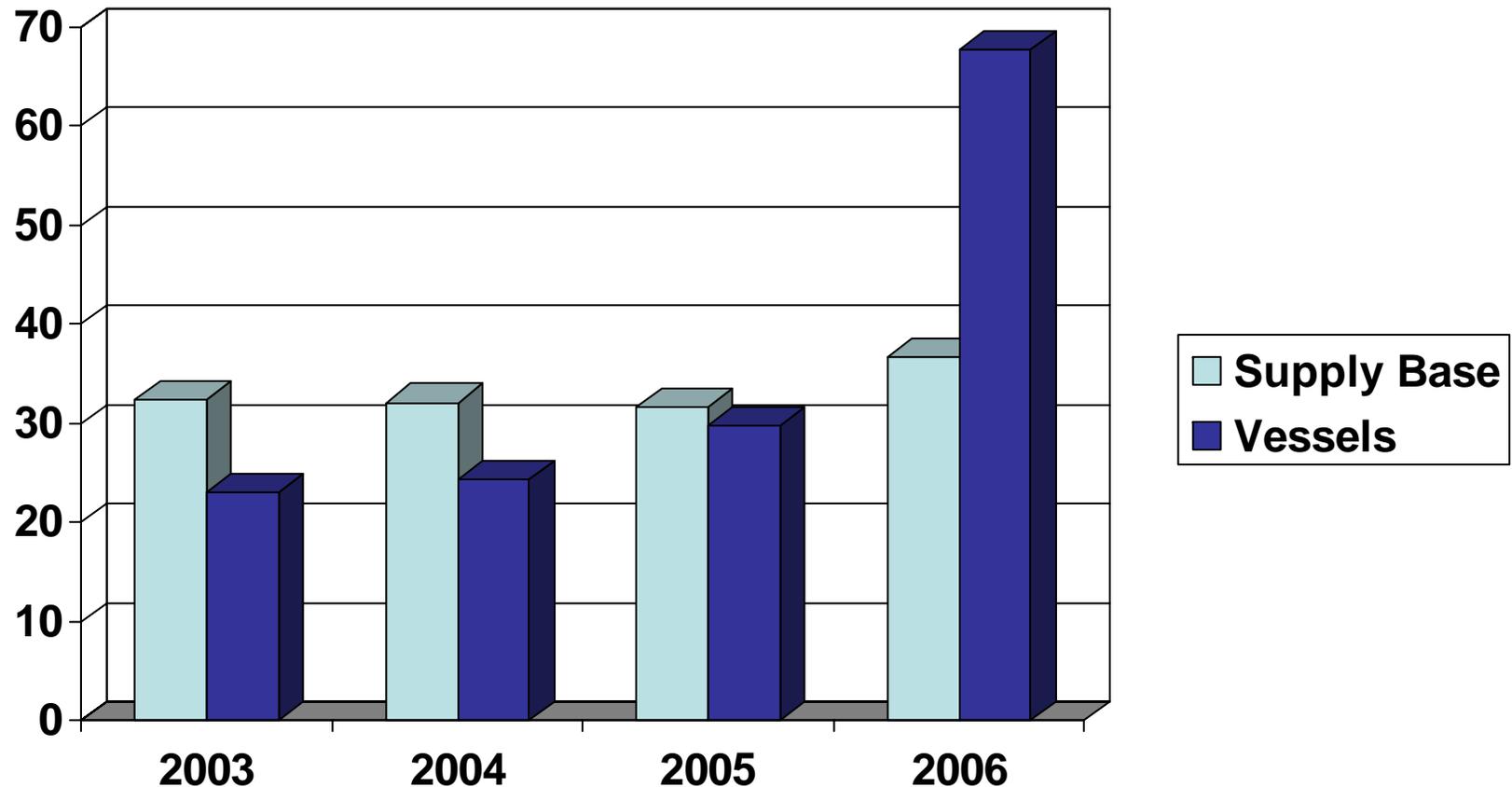
Mermaid Investigator - Apache

- ❑ **Due delivery Early 2006**
- ❑ **Contracted Apache Energy 180 days**
- ❑ **Strong interest from industry**
- ❑ **Specialised DP1 vessel – 4 point mooring**





INCREASED VALUE OF VESSELS RELATIVE TO SUPPLY BASE

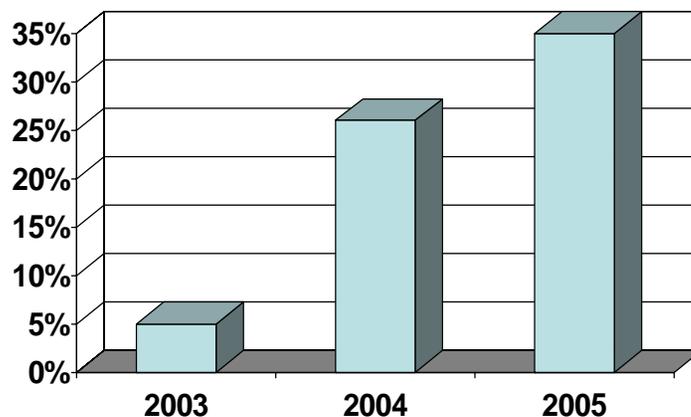




MAJOR OIL & GAS CLIENTS

- ❑ Woodside Offtake support / Standby - Sound
- ❑ BHP Offtake Support / Supply / ROV – Carver, Guardian
- ❑ Wandoo Offtake Support / Supply / ROV - Eagle
- ❑ ENI Offtake Support - Carver
- ❑ Santos Offtake Support / Supply - Storm
- ❑ Chevron Offtake Support - Carver
- ❑ Apache Supply / ROV/ Rig Shift / Survey – Achiever, Investigator, Supporter

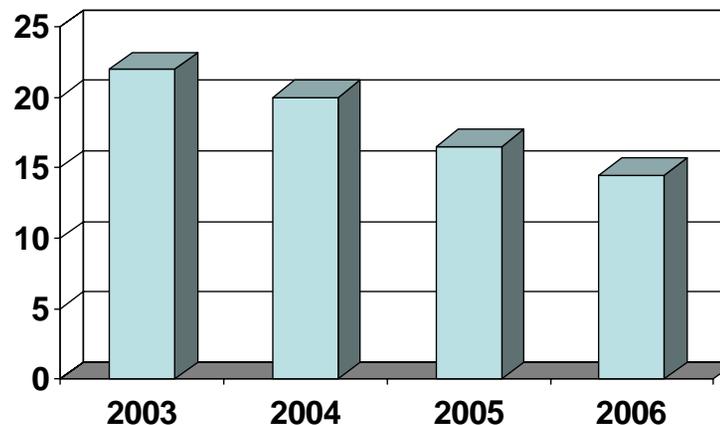
Contracted Revenue





TMS TRANSACTION

Average Age of Fleet



MMA purchase 5 Vessels from TMS for \$23.8 m:

- ❑ “Provider” 45m AHT
- ❑ “Endeavour” 35m Offshore tug
- ❑ “Resource” 27m Fast response utility
- ❑ “Constructor” 76m Barge
- ❑ “Supporter” 45m AHT

MMA sells manning business to TMS for \$4.4m and enters into 7yr contract for TMS to provide manning services to MMA

Major Points:

- ❑ Reduces average age of fleet (5yr target of 10yrs)
- ❑ EPS Positive
- ❑ Improves fleet flexibility and utilisation in North West Shelf - benefit for clients
- ❑ Positions company in the offtake support segment
- ❑ Provide for growing FPSO market
- ❑ Secures quality Marine personnel in an increasingly tight market



DEVELOPMENTS

Chevron

1. *Gorgon*

- 11bn LNG Project on Barrow Island
- Approval decision expected approximately October 2006
- Commenced detailed discussions
 - Supply Base requirements
 - Vessel requirements

Woodside

1. *Enfield*

- FPSO 1.48bn
- 50km NW Exmouth
- FPSO Development

2. *Phase 5 LNG Expansion*

- Second LNG berth and related infrastructure
- First Cargo fourth Quarter 2008

3. *Pluto*

- 100% Woodside LNG Development
- 5 to 7 million tpa LNG
- Investment decision Mid 2007



DEVELOPMENTS cont.

BHP Billiton Petroleum

1. *Stybarrow*

- Feasibility Stage
- FPSO Development
- Carnarvon Basin 55km NW Exmouth

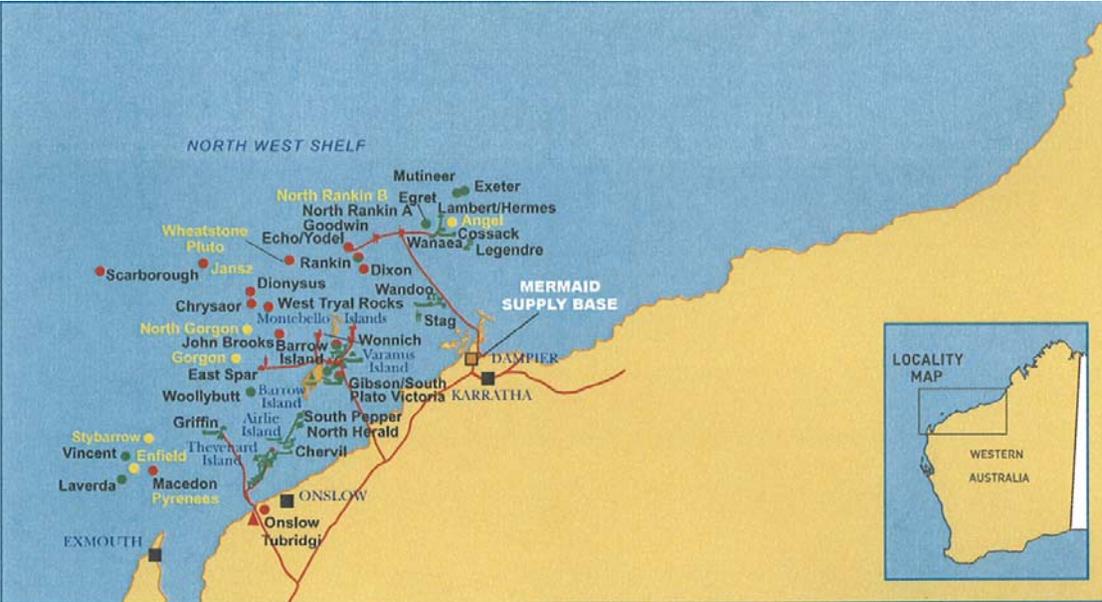
2. *Pilbara LNG*

- Pre-feasibility LNG Development
- Scarborough field – 8 TCF
- Potential for 6 million tonnes p.a

Resources

- There are a number of port related upgrades occurring in the North West Shelf based on increased capacity development

North West Shelf and Browse Basin Oil & Gas Overview



HYDROCARBON DISCOVERIES

- Gas ●
- Oil ●
- Oil & Gas ●
- Mermaid Supply Bases ■
- Under Development ●



KEY TARGETS – 2006

- Conclude transaction between Mermaid Marine and Total Marine Services**
- Finalise construction and delivery of Mermaid Investigator**
- Commence construction of Mermaid Sound**
- Progress supply base and vessel opportunities with Gorgon development**
- Complete wharf extension**



THANK YOU

Any Questions?

