



INVESTOR UPDATE

Half Year - December 2004

“Eagle Jetty”

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KEY ACHIEVEMENTS DURING FIRST HALF

Half Year Result:

Better than forecast pre-tax profit of \$855k. Result driven by strong vessel utilisation during the December 2004 quarter.

Capital Raising:

Completed a \$5 million placement to institutional investors and a \$3.4 million raising with Share Purchase Plan in November / December 2004.

New Vessels:

Construction of Mermaid Investigator commenced in November 2004 and is expected on station by December 2005 to commence 5 year contract with Apache Energy.

Mermaid Storm on station in late December 2004 and commenced long term charter with Santos Ltd in January 2005.

Landing Ramp:

Construction of ramp completed in March 2005 and is expected to contribute to earnings in 4Q FY05.

Sale of Non-Core Vessels:

2 non-core vessels were sold during the 1H with a further 2 vessels expected to be sold in the March 2005 quarter completing short term divestment program.



SEGMENT OVERVIEW

Vessels Activities

- ❑ Strong December quarter – high utilisation.
- ❑ Maintained operating margins whilst increasing operational management capability.
- ❑ Market position continues to strengthen.
- ❑ Operating performance (safety, reliability) excellent.

Supply Base Activities

- ❑ Dampier Base:
 - Operation is in line with budget – (revenue and earnings)
 - One-off set up costs relating security and new contracts incurred in 1H
 - Base value increasingly being realised
- ❑ Broome – below budget due to deferred drilling campaigns



SEGMENT OVERVIEW cont.

Slipway

- ❑ Lower than forecast utilisation for 1H.
- ❑ Stronger 2H expected.
- ❑ Cyclical activity presents resource management challenge.

Manning

- ❑ Rockwater 2 dive support vessel manning (short term contract).
- ❑ Modec Venture II catering support (long term) contract.
- ❑ Other prospects continue to emerge.

Projects

- ❑ No project activity expected in FY05.
- ❑ Bidding work FY06.



FINANCIAL RESULT SUMMARY TO 31 DECEMBER 2004

	Half Year 31 Dec 2004 Actual (\$M)	Half Year 31 Dec 2003 Actual (\$M)	Full Year 30 Jun 2004 Actual (\$M)
Revenue	21.4	16.0	35.1
EBITDA	3.4	3.6	9.1
EBITDA / REVENUE %	16%	23%	26%
EBIT	1.8	2.0	5.9
EBIT / REVENUE %	8.3%	12.8%	16.7%
NPAT	0.5	2.2	4.3
<i>NTA</i>	<i>35 cents</i>	<i>33 cents</i>	<i>35 cents</i>
<i>Basic EPS</i>	<i>0.43 cents</i>	<i>1.95 cents</i>	<i>3.75 cents</i>
<i>Dividend</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Current Share Price</i>	<i>32 cents</i>	<i>40 cents</i>	<i>32.5 cents</i>
<i>Market Cap.</i>	<i>\$44.8M</i>	<i>\$45.8M</i>	<i>\$37.3M</i>



CASH FLOW

- Major business segments are generating strong operating cash flows.

	Half Year 31 Dec 2004 Actual	Half Year 31 Dec 2003 Actual	Full Year 30 Jun 2004 Actual
Gearing % (Net Debt / Equity)	41.5%	64.7%	61.1%
Interest Cover	1.9x	2.2x	2.5x
Current Ratio	2.0	1.5	1.3
Debt Retirement	\$2.9M	\$2.1M	\$3.8M
Debt Balance	\$28.3M	\$30.7M	\$30.6M



BALANCE SHEET

				Consolidated	
				Dec 2004	Jun 2004
Total Current Assets	\$m			27.3	16.0
Non Current Assets	\$m			59.6	61.5
Total Assets	\$m			86.9	77.5
Total Current Liabilities	\$m			13.8	12.5
Non Current Liabilities	\$m			24.2	24.6
Total Liabilities	\$m			38.0	37.1
Net Assets	\$m			48.9	40.3
Total Shares Outstanding	\$m			139.4	114.7
Total Debt	\$m			28.3	30.7



KEY TARGETS – SECOND HALF

- ❑ **Mermaid Toll joint venture**
- ❑ **Complete acquisition of new multi-purpose supply vessel – Mermaid Guardian**
- ❑ **Complete acquisition of new landing barge**
- ❑ **Gorgon development**



SECOND HALF OUTLOOK & BEYOND

OUTLOOK FY 2005

The company expects a significant improvement in 2H of the financial year:

- ❑ **Continued strong vessel utilisation.**
- ❑ **Mermaid Storm to contribute to 2H earnings.**
- ❑ **Acquisition of new multi-purpose supply vessel to be completed by June Qtr 2005 and will contribute to Q4 earnings.**
- ❑ **Mermaid / Toll Joint Venture.**
- ❑ **Manning Contracts.**



SECOND HALF OUTLOOK & BEYOND - cont

CHALLENGES

The company sees following issues as being significant going forward:

- ❑ Labour availability.
- ❑ EBA negotiations.
- ❑ Competitor activity.
- ❑ Proposed offshore development plans.



SECOND HALF OUTLOOK & BEYOND - cont

FY06 AND BEYOND

The company expects to build on FY05 result as a result of:

- ❑ Full year of Mermaid Storm, Mermaid Guardian and landing barge
- ❑ Construction of Mermaid Investigator to be completed by end of 1H FY06. Will contribute to 2H earnings in FY06
- ❑ Browse basin drilling support – Broome Supply Base
- ❑ Gorgon development
- ❑ Santos drilling support
- ❑ Roc Oil – Cliff Head development
- ❑ Enfield development
- ❑ HLO Wharf extension



CONTACT INFORMATION



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