



# MERMAID MARINE AUSTRALIA LTD

## INVESTOR UPDATE September 2006



# 2006 RESULTS HIGHLIGHTS

- Reported net profit \$9.2M, up 290% on previous year.
- Normalised earnings (excluding sale of manning business) of \$5.6M, up 133% on per year
- Earning per share of 6.6c, up 260% on previous year.
- Normalised EPS of 4.0, up 118% on previous year.
- Share price growth of 71% over 12 months to 30 June 2006
- \$45M investment in new assets: \$40M vessels, 5M wharf extension



# COMPANY STRUCTURE

# FINANCIAL RESULTS SUMMARY

	2006 excl. Sale of Manning Business	Year Ended 30 June 2006	Year Ended 30 June 2005	Year Ended 30 June 2004
Revenue	\$66.7M	\$71.1M	\$49.5M	\$35.1M
EBITDA	\$15.2M	\$19.4M	\$9.5M	\$9.1M
EBITDA / REVENUE	22.5%	27.3%	19.2%	25.9%
EBIT	\$11.0M	\$15.3M	\$6.1M	\$5.9M
EBIT / REVENUE	16.5%	21.5%	12.3%	16.7%
NPAT	\$5.6M	\$9.2M	\$2.4M	\$4.3M
Operating free cash flow	\$11.5M	\$11.5M	\$7.4M	\$6.9M
NTA per share	43c	43c	37c	35c
Basic EPS	4.01c	6.60c	1.83c	3.75c
Dividend	NIL	NIL	Nil	Nil



MERMAID MARINE  
AUSTRALIA LTD

# LIQUIDITY SUMMARY

	Year Ended 30 June 2006	Year Ended 30 June 2005	Year Ended 30 June 2004
<b>Gearing % (Net Debt / Equity)</b>	<b>83.2%</b>	<b>35.0%</b>	<b>61.1%</b>
<b>Interest Cover (EBIT / Interest Expense)</b>	<b>4.9x</b>	<b>2.8x</b>	<b>2.5x</b>
<b>Current Ratio (Current Assets / Current Liabilities)</b>	<b>1.3x</b>	<b>2.4x</b>	<b>1.3x</b>
<b>Interest Bearing Liabilities</b>	<b>\$56.4M</b>	<b>\$31.8M</b>	<b>\$30.6M</b>
<b>Capital Expenditure</b>	<b>\$45.6M</b>	<b>\$12.3M</b>	<b>\$2.8M</b>
<b>Cash at Bank</b>	<b>\$6.0M</b>	<b>\$13.9M</b>	<b>\$6.1M</b>

# SEGMENT OVERVIEW

- **Vessels**
  - MMA now has a total fleet of 24 vessels
  - Continue to be the main driver of revenue and profit
  - Strengthened position in the market
  - Re-structuring management team
- **Supply Bases**
  - **Dampier Base:**
    - Continued development of the base facility – 60M wharf extension completed December 05 - \$5 million paid from cash reserves
    - Positioned to take advantage of future projects
  - **Broome**
    - Future growth to be driven by supporting exploration activities in Browse Basin
    - Progressing Toll JV

# SEGMENT OVERVIEW (cont)

- **Slipway**
  - Strong year servicing MMA & third party vessels. Outlook for 2007 also positive.
  - Challenge to attract and retain skilled labour
- **Manning**
  - Sold manning business to Integrated Group for \$4.4M
  - Provides access to quality marine personnel – long term strategic advantage
- **Projects**
  - No major projects undertaken during the period
  - Challenge barge deployed into India to support Clough project in the region

# SEGMENT RESULTS SUMMARY

	Vessels			Supply Base			Eng & Labour		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Sales to Customers	53.5	35.7	26.8	9.9	7.8	7.4	2.7	5.5	0.4
EBITDA	13.6	9.2	7.7	3.3	1.9	2.4	0.6	0.8	0.0
EBITDA / Sales Revenue	25.4%	25.7%	28.7%	33.3%	24.3%	32.4%	22.2%	14.5%	25.0%
EBIT	11.0	7.3	5.9	2.0	0.7	1.3	0.5 (2)	0.7	0.1
EBIT / Sales Revenue	20.6%	20.4%	22.0%	20.2%	8.9%	17.5%	18.5%	12.7%	25.0%
Segment Assets	88.0	39.8	33.6	41.9	37.4	36.8	0.6	0.7	0.9
Return on Assets	12.5% (1)	18.3%	17.6%	4.8%	1.8%	3.5%	116.6%	100.0%	11.1%

(1) Return on vessel assets is lower in 2006 due to the Company purchasing 5 vessels from TMS in April 2006 for \$23.8M and completing construction of the Mermaid Investigator vessel also in April 2006 for a cost of \$10.9M These vessels only contributed to vessel earnings for the last quarter of the year.

(2) Excluding Profit on Sale of Manning Business

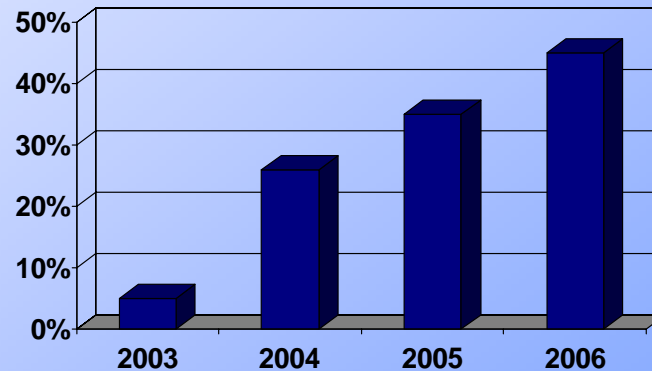


# MAJOR OIL & GAS CLIENTS

To be updated

- |                                   |  |
|-----------------------------------|--|
| <input type="checkbox"/> Woodside | Offtake support / Supply - Sound (Enfield), Provider (Cossack)       |
| <input type="checkbox"/> BHP      | Offtake Support / Supply / ROV – Carver, Guardian                    |
| <input type="checkbox"/> Wandoo   | Offtake Support / Supply / ROV - Eagle                               |
| <input type="checkbox"/> ENI      | Offtake Support / Supply- Guardian / Supporter                       |
| <input type="checkbox"/> Santos   | Offtake Support / Supply - Storm                                     |
| <input type="checkbox"/> Chevron  | Offtake Support – Carver and Fast response vessel - Resource         |
| <input type="checkbox"/> Apache   | Supply / ROV/ Rig Shift / Survey – Achiever, Investigator, Supporter |

Contracted Revenue



# MARKET OVERVIEW

## Chevron

### *Gorgon*

- 11bn LNG Project on Barrow Island
- Approval decision expected Q3 FY '07
- Commenced detailed discussions
  - Supply Base requirements
  - Vessel requirements

## TO BE UPDATED

## Woodside

### *Enfield*

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

### *Phase 5 LNG Expansion*

- Second LNG berth and related infrastructure
- First Cargo Q4 FY '08

### *Pluto*

- 100% Woodside LNG Development
- 5 to 7 million tpa LNG
- Investment decision Mid FY '07

# MARKET OVERVIEW (cont)

## **BHP**

### ***Stybarrow***

FPSO Development

Carnarvon Basin 55km NW Exmouth

First Oil Q1 FY '07

### ***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



# GOALS

## 2006

Conclude transaction between Mermaid Marine and Total Marine Services – Completed April 2006

Finalise construction and delivery of Mermaid Investigator - Delivered April 2006

Commence construction of Mermaid Sound - Commenced Feb 2006

Complete wharf extension – Completed December 2005

Progress supply base and vessel opportunities with Gorgon development - Ongoing

## 2007

Complete Construction of Mermaid Sound – due Feb 07

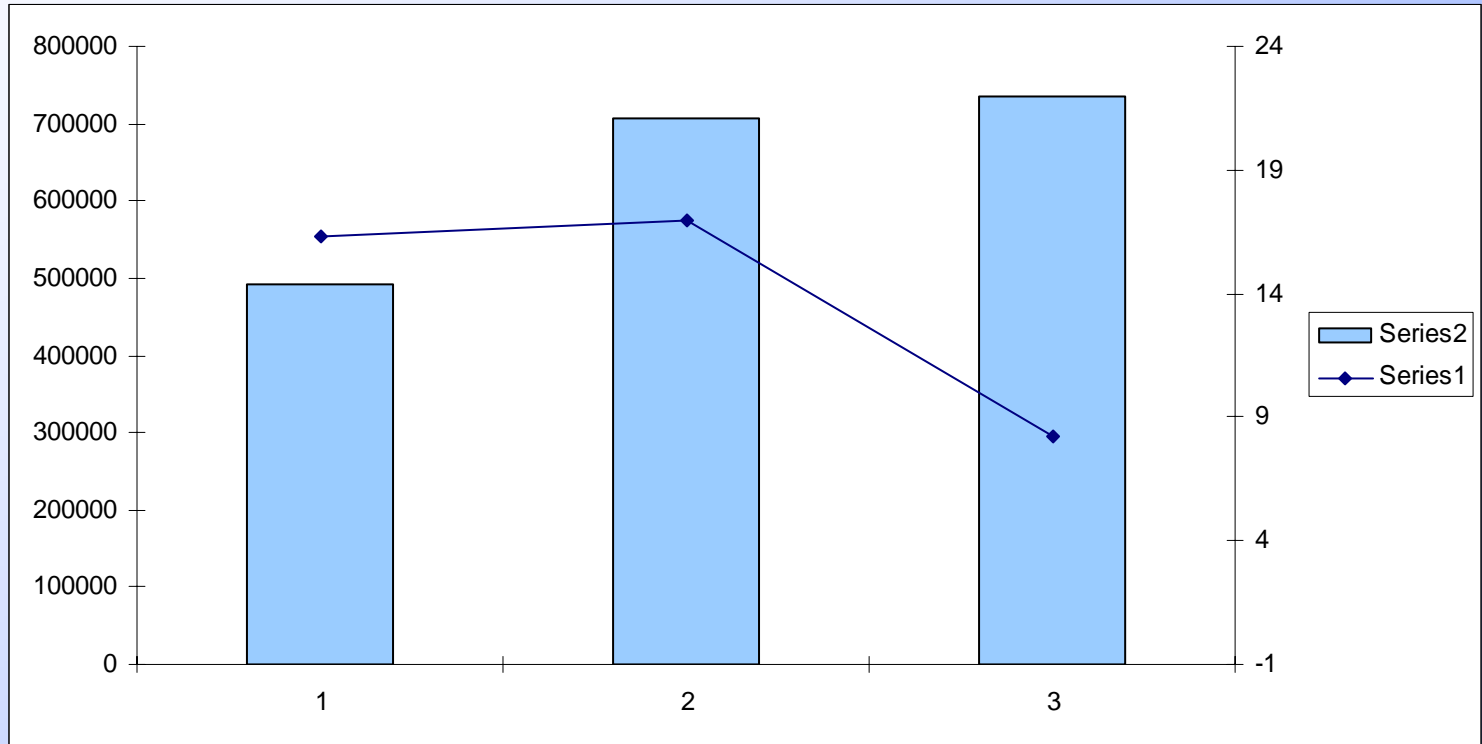
Develop new Broome Supply Base facility

?

Completed



# SAFETY

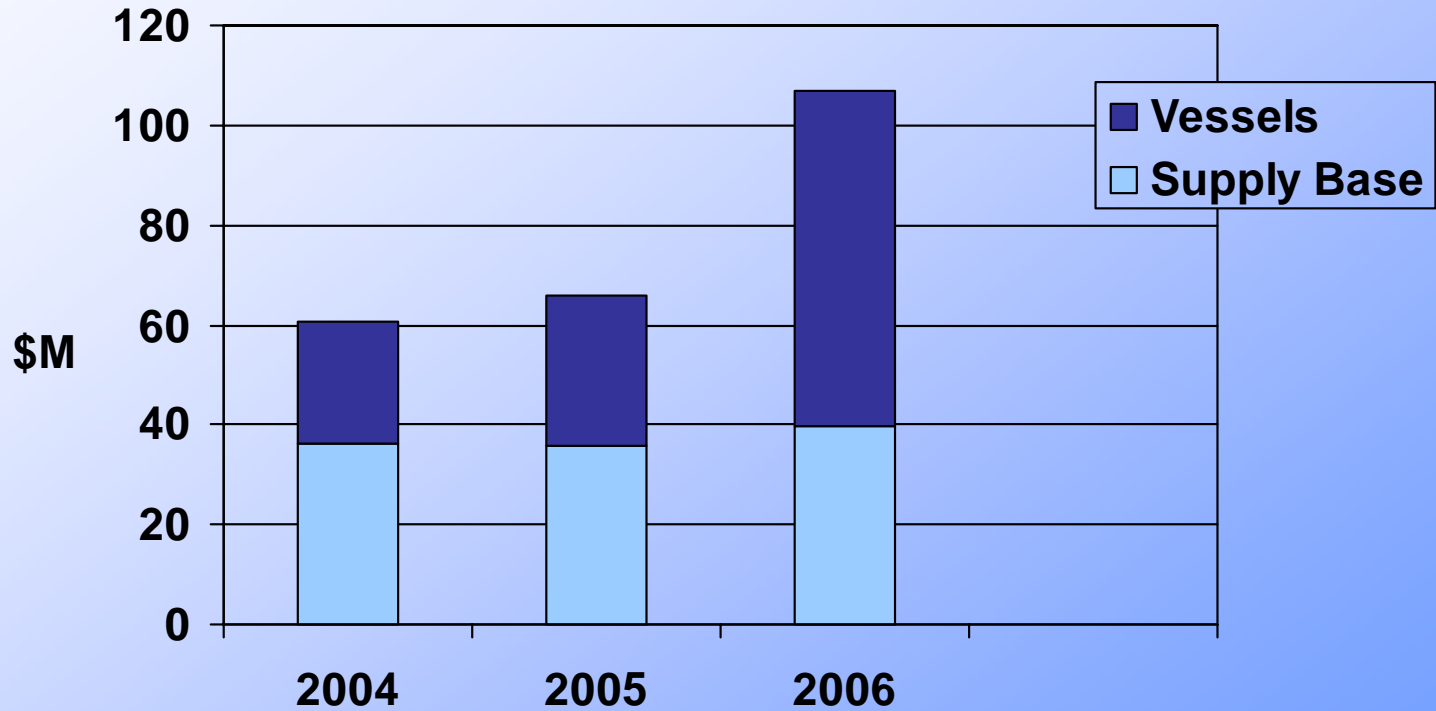




# CHALLENGES

- Labour
- Competitors
- Projects and Timing
- Oil Price and A\$
- Demand for vessels

# FIXED ASSETS





# COMPANY INFORMATION

**Current Share Price:** 67 cents  
**Issued Capital:** 140.1 M  
**Market Capitalisation:** \$93.9 M

<b>Substantial Shareholders:</b>	<b>Number of Shares:</b>	<b>% of Issued Capital:</b>
Thorney Pty Ltd	14,715,502	10.51
Delmark Investments Pty Ltd (Alan Birchmore)	11,130,000	7.95
Invesco Australia Ltd	11,360,490	8.11
Sawtell Pty Ltd <Jim Carver A/C>	9,600,826	6.85





# CONTACT INFORMATION

**Jeffrey Weber**

**MANAGING DIRECTOR**

Eagle Jetty, 20 Mews Road Fremantle WA 6160

**TEL** (+61) 8 9431 7431    **FAX** (+61) 8 9431 7432    **MOB** 0418 855 275

**EMAIL**        jeff.weber@mma.com.au

**WEB**            www.mma.com.au

**Peter Raynor**

**CHIEF FINANCIAL OFFICER / COMPANY SECRETARY**

Eagle Jetty, 20 Mews Road Fremantle WA 6160

**TEL** (+61) 8 9431 7431    **FAX** (+61) 8 9431 7432    **MOB** 0418 901 620

**EMAIL**        peter.raynor@mma.com.au

**WEB**            www.mma.com.au