



16 May 2005

The Listings Manager
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: VESSEL CONTRACT – WOODSIDE ENERGY’S ENFIELD PROJECT

The Directors of Mermaid Marine Australia Ltd advise a successful award by Woodside Energy Limited of a contract to construct and operate an Offtake Support/Supply Vessel (OSV) for the Enfield Area Development Project. The vessel will support the Enfield FPSO (Floating Production Storage and offtake unit) and Tankers during offtake loading operations, provision of a supply vessel for the FPSO during normal operations and any ancillary duties. The Enfield FPSO will be located on Western Australia’s North West Shelf and is scheduled to commence production in May 2006.

Woodside has a policy to provide opportunities for WA operators, but the tender was very demanding in terms of an environmentally friendly solution with high levels of quality, safety and redundancy. The 50m vessel will utilize the latest technology being, a Diesel Electric Azimuthing Stern Drive (ASD) – generating 67t Bollard Pull on three engines and a minimum 45t bollard pull with two engines. This vessel is probably the first purpose-built diesel electric offtake support vessel in the world, as this type of construction is normally only found in dynamically positioned dive support vessels. This vessel will deliver significant fuel savings, with consequently reduced Nox emissions, therefore meeting the Enfield Project’s Environmental aims and the latest Classification requirements for CLEAN notation. This notation comprises two parts, CLEAN-AIR and CLEAN-SEAS. Construction costs are in the region of A\$12m and the vessel will be named the “Mermaid Sound”. The vessel will be funded via a combination of debt and current cash surpluses.

The adjacent Mermaid Supply Base and slipway, is home to other offshore vessels, which have been either recently acquired, or are under construction and are able to provide additional back up to the project.

As part of Mermaid’s fleet renewal program, the Company also announces finalisation of the acquisition of the new offshore anchor handling tug (AHT), the “Mermaid Guardian”. With construction completed in early 2005, the vessel is 40m in length, with 50 tonnes bollard pull and

has been acquired for A\$6m. The vessel will spend the first 3 months under Mermaid Marine's ownership working in Russian waters on an offshore construction project before joining the Dampier based fleet around September 2005.

At the beginning of the year, the company forecast a quiet 12 months with stronger earnings taking off from calendar 2006. However while those favourable expectations remain, the timescale has moved forward and profit for the current period will now comfortably exceed last year's earnings before tax of \$3.5m. The vessel acquisition program to win long term contracts has been successful, providing greater earnings reliability and emerges at a time when similar improvements are developing on the Company's supply bases.

By Order of the Board
MERMAID MARINE AUSTRALIA LIMITED



BRENDAN GORE
Company Secretary