



MERMAID MARINE
AUSTRALIA LTD

Media Announcement – ASX

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Mermaid Marine Australia Limited Completes Institutional Component of its Pro Rata Accelerated Renounceable Entitlement Offer and Institutional Placement

Mermaid Marine Australia Limited (“MMA” or “Company”) is pleased to announce the successful completion of the institutional component of its 7 for 18 pro rata accelerated renounceable Entitlement Offer and Institutional Placement of new ordinary shares in MMA (“New Shares”) at an offer price of A\$2.40 per New Share.

- **The Institutional Entitlement Offer raised gross proceeds of approximately A\$143 million**
- **Approximately 89% take up by eligible institutional shareholders**
- **Remainder of Institutional Entitlement Offer cleared in the institutional shortfall bookbuild at A\$2.50 per New Share, an A\$0.10 premium to the offer price of A\$2.40**
- **The Institutional Placement raised gross proceeds of A\$100 million, and was completed at the fixed price of A\$2.40 per New Share**
- **The Retail Entitlement Offer to eligible retail shareholders will open on Wednesday, 5 March 2014 at the same offer price of A\$2.40 per New Share**

Completion of the Institutional Entitlement Offer and Institutional Placement represents completion of the first stage of MMA’s A\$317 million equity raising, announced on Tuesday, 25 February 2014. The Institutional Entitlement Offer and Institutional Placement will raise gross proceeds of approximately A\$243 million.

Approximately 6.5 million New Shares were available for subscription under the institutional shortfall bookbuild which was completed on Thursday, 27 February 2014. The institutional shortfall bookbuild was well supported by both existing eligible institutional shareholders and new institutional investors, achieving a clearing price of A\$2.50. This clearing price was above

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the offer price of A\$2.40. Therefore, institutional shareholders who elected not to take up their New Shares and ineligible institutional shareholders will receive the proceeds in excess of the offer price proportionally (net of expenses and any applicable withholding tax).

The A\$100 million Institutional Placement was also well supported, and was successfully completed at the fixed price of A\$2.40 per New Share, with strong demand from new and existing institutional investors.

The New Shares to be issued as part of the Institutional Entitlement Offer and Institutional Placement will be issued on Wednesday, 12 March 2014 with trading on ASX expected to commence on the same day. On issue, the New Shares will rank *pari passu* in all regards with existing MMA ordinary shares. The New Shares will not carry any entitlement to receive MMA's declared FY14 interim dividend (record date of 11 March 2014).

Commencement of Retail Entitlement Offer

The Retail Entitlement Offer will open on Wednesday, 5 March 2014 and is expected to close at 5:00pm (Sydney Time) on Friday, 21 March 2014. Eligible retail shareholders who apply under the Retail Entitlement Offer before 5:00pm (Sydney Time) on Friday, 21 March 2014 are expected to be issued New Shares on Wednesday, 2 April 2014.

Eligible retail shareholders will be entitled to subscribe for 7 New Shares for every 18 MMA shares held as at 7:00pm (Sydney Time) on Friday, 28 February 2014, at the same A\$2.40 offer price as the Institutional Entitlement Offer and Institutional Placement. The offer price of A\$2.40 per New Share represents a 12.9% discount to the dividend adjusted closing price of MMA shares on 24 February 2014 (being the last trading day before announcement of the acquisition of Jaya and the Entitlement Offer) and a discount of 8.6% to the dividend adjusted theoretical ex-rights price of A\$2.63¹.

New Shares equivalent in number to the New Shares not taken up by eligible retail shareholders and New Shares that would have been offered to ineligible retail shareholders had they been eligible to participate will be sold through the retail shortfall bookbuild to be conducted on Wednesday, 26 March 2014. If the amount per New Share realised in the retail shortfall bookbuild exceeds the offer price of A\$2.40 per New Share, the excess will be paid to shareholders who did not accept their entitlement in full (with respect to that part of the entitlement they did not accept only) and to ineligible retail shareholders proportionally (net of expenses and any applicable withholding tax). There is no guarantee that there will be any

¹ The theoretical ex-rights price ("TERP") is the theoretical price at which MMA shares should trade immediately after the ex-date of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which MMA shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not equal the TERP. The TERP is calculated by reference to MMA's closing price of A\$2.81 on 24 February 2014 and by deducting the interim dividend of A\$0.055 / share to reflect that the New Shares will not be entitled to receive this dividend payment.

proceeds remitted to those shareholders who did not take up their entitlement in full and ineligible retail shareholders.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer will need to have regard to the Retail Offer Booklet and personalised Entitlement and Application Form which is expected to be mailed to each eligible retail shareholder on Wednesday, 5 March 2014. Copies of the Retail Offer Booklet will be available on the ASX website and our website at www.mma.com.au from Wednesday, 5 March 2014.

Recommencement of Trading

MMA shares are expected to resume trading on the ASX today.

Summary of Key Dates²

An indicative timetable associated with the Retail Entitlement Offer is set out below.

Event	Date
Record date under the Entitlement Offer	Friday, 28 February 2014
Retail Entitlement Offer opens	Wednesday, 5 March 2014
Despatch of Retail Offer Booklet and Entitlement and Acceptance Form	Wednesday, 5 March 2014
Retail Entitlement Offer Closes	Friday, 21 March 2014
Retail Shortfall Bookbuild	Wednesday, 26 March 2014
Settlement of Retail Entitlement Offer and Retail Bookbuild	Tuesday, 1 April 2014
New shares allotted under the Retail Entitlement Offer and Retail Bookbuild	Wednesday, 2 April 2014
New Shares issued under the Retail Entitlement Offer and Retail Bookbuild commence trading on the ASX	Thursday, 3 April 2014
Despatch of confirmations of New Shares issued under the Retail Entitlement Offer	Friday, 4 April 2014
Despatch of payments (if any) in respect of Entitlements not taken up under the Retail Entitlement Offer	Tuesday, 8 April 2014

² Dates and times are indicative only and subject to change.

Further Information

For further details regarding the acquisition of Jaya and/or the Entitlement Offer, shareholders are advised to refer to the Company's announcement and investor presentation released to the ASX on 25 February 2014.

Retail shareholders who have any questions regarding the Retail Entitlement Offer should contact the MMA Entitlement Offer Information Line on 1300 628 310 (within Australia) or on +61 3 9415 4294 (from outside Australia) at any time from 8:30am to 5:30pm (Sydney time), Monday to Friday during the Retail Entitlement Offer period.

Important Notices

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which MMA has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

This announcement contains certain "forward-looking statements". Forward looking statements can generally be identified by the use of forward looking words such as "expect", "should", "could", "may", "will" and other similar expressions, and include statements in this announcement regarding the conduct and outcome of the Retail Entitlement Offer and retail shortfall bookbuild. You are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve significant elements of subjective judgment, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of MMA. A number of factors could cause actual results, performance or achievements to vary materially from any forward-looking statements and the assumptions on which statements are based, including but not limited to the risk factors set out in the Investor Presentation released by MMA to ASX on 25 February 2014 with respect to the Entitlement Offer. Except as required by applicable law or regulation (including the ASX Listing Rules), MMA undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether as a result of new information, future events or results or otherwise.