



MERMAID MARINE
AUSTRALIA LTD

Eagle Jetty, 20 Mews Road

FREMANTLE WA 6160

T (+61) 8 9431 7431 F (+61) 8 9431 7432

E corporate@mermaidmarine.com.au

W www.mermaidmarine.com.au

ABN 21 093 185 693

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The Manager, Listings
Australian Securities Exchange
Company Announcements Office
Level 4,
Exchange Centre
20 Bridge Street
Sydney NSW 2000

MMA successfully completes \$36.3 million placement

Mermaid Marine Australia Limited ("MMA") is pleased to announce that it has successfully completed an institutional Placement to raise gross proceeds of \$36.3 million, including a \$8.9 million conditional component which is subject to shareholder approval. Proceeds will be used to fund the proposed capital expenditure for the expansion of the Dampier Supply Base and to support the company's future growth plans.

Strong levels of demand from domestic and global institutions facilitated the increased raising above the \$25 million previously announced. The additional funds raised will permit MMA to take advantage of other potential growth opportunities, including vessel acquisitions.

The placement was priced at \$1.45 per share, a 3.3% discount to the 5 day VWAP and will result in the issue of 25.0 million new ordinary shares which will rank pari passu with existing ordinary shares. The issue represents 16.8% of existing issued capital.

Merrill Lynch acted as lead manager and underwriter to the Placement, which was conducted via a bookbuild process. Euroz Securities and Patersons Securities acted as brokers to the offer.

MMA's Managing Director and Chief Executive Officer, Jeffrey Weber, commented that *"demand from new and existing investors was very strong and an endorsement of our integrated services model and growth strategy. The Placement was upsized due to this demand and gives the company an increased capacity to pursue other growth opportunities. MMA is now well capitalised to deliver on our strategy with the support of a broadened shareholder base."*

The Placement will be settled in two tranches:

- Unconditional Tranche: 18.85 million shares to be settled on 7 May 2008 and
- Conditional Tranche: 6.15 million shares which will be settled subject to shareholder approval at an extraordinary general meeting of MMA shareholders to be held as soon as reasonably practicable in June 2008

MMA plans to offer existing shareholders the opportunity to participate in a Share Purchase Plan, details of which will be announced shortly.

Trading in MMA shares is expected to resume on the Australian Securities Exchange on Monday 5 May, 2008.

For further information please contact:

Mr. Jeff Weber, *Managing Director* 0418 855 275
Mr. Peter Raynor, *Chief Financial Officer* 0418 901 620