



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

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.

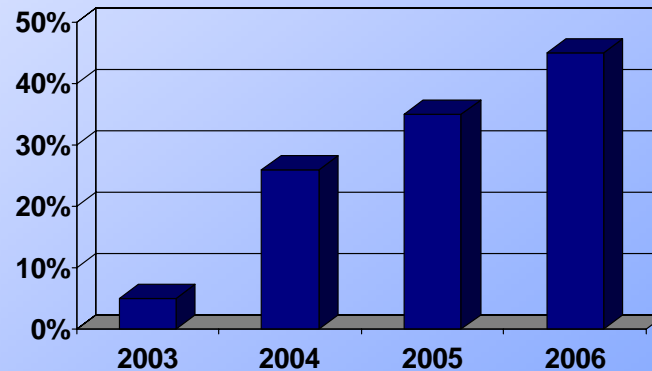
(2) Excluding Profit on Sale of Manning Business

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

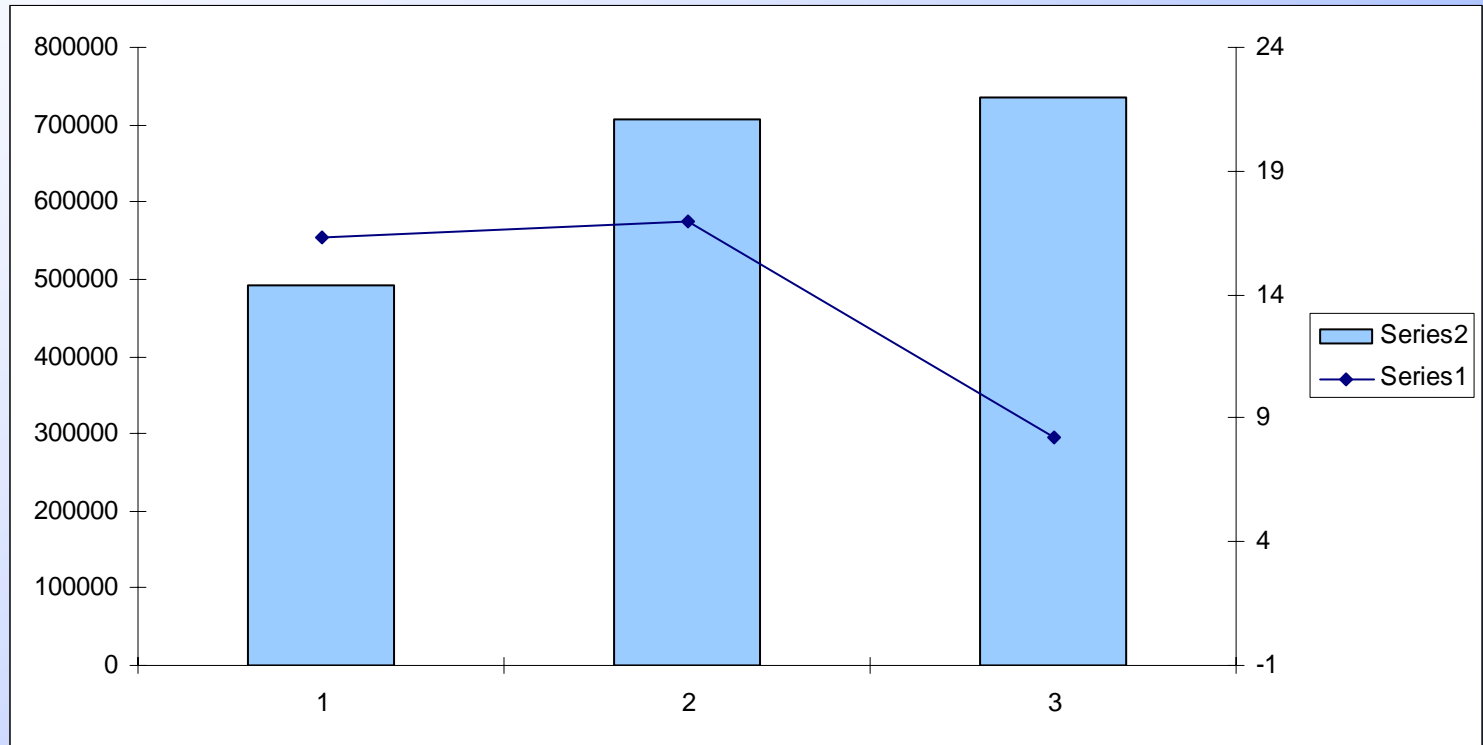
Develop new Broome Supply Base facility

?

Completed



SAFETY

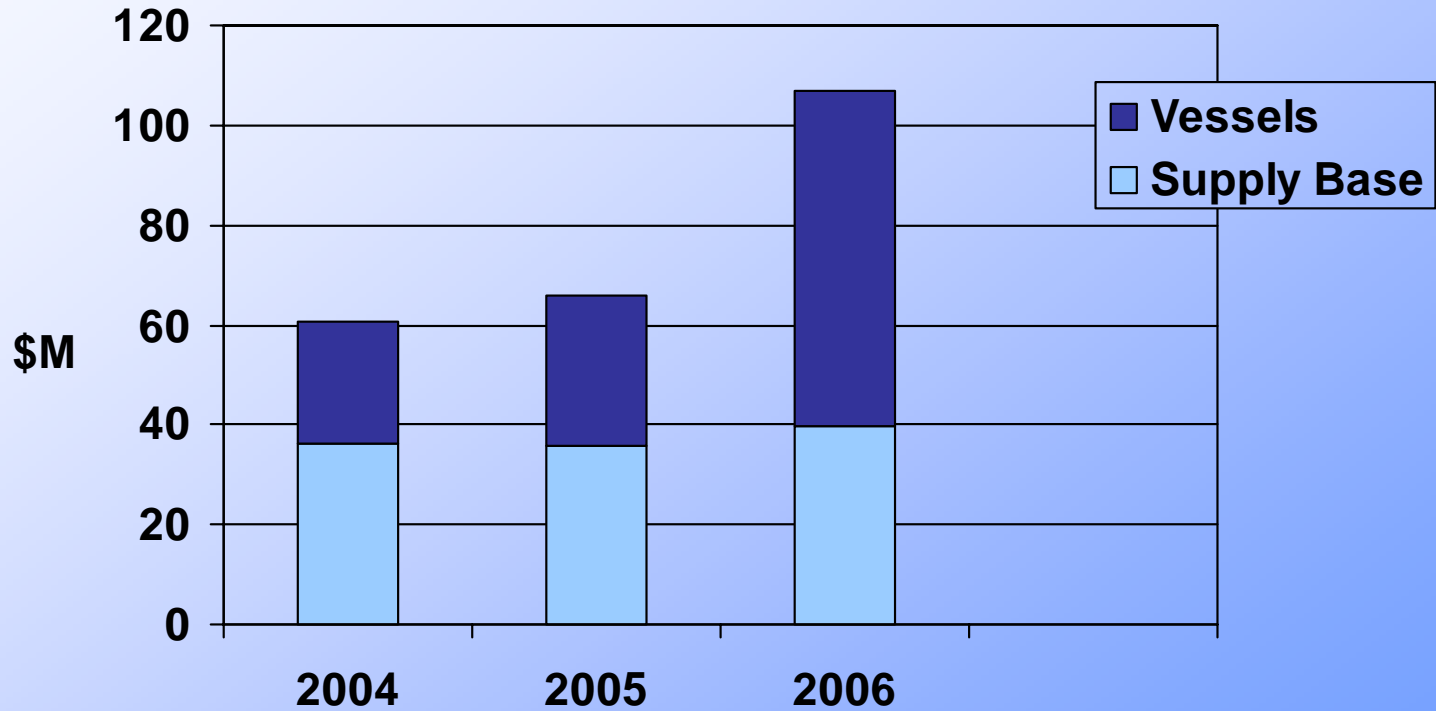




CHALLENGES

- 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

Substantial Shareholders:	Number of Shares:	% of Issued Capital:
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