

24 November 2005



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The Listing Manager
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 200

Dear Sir/Madam

RE: SHARE OF SHAREHOLDING BY SEALION AUSTRALIA PTE LTD

The directors of Mermaid Marine Australia Ltd wish to advise that the 23.48m shares held by their largest shareholder, Sealion Australia Pte Ltd have been placed by Bell Potter Securities with major Australian institutions, retail investors and a number of Mermaid directors and senior management.

Sealion's ultimate parent, the Port of Singapore, have reviewed their strategy on minority investments, to concentrate on their main function as one of the largest Port operators in the world.

The relationship between Mermaid Marine and PSA Marine has been very fruitful and the two companies will continue to work together in areas of mutual benefit.

It is considered that as the working relationship has been preserved and Mermaid's market liquidity has been improved, the net result of this transaction has been favourable to all parties.

However the directors wish to formally record that PSA Marine have been excellent shareholders, their reasons for reorganisation are understood and that our company looks forward to working closely with them under the new arrangements. As they leave the board, we take this opportunity to recognise the contribution of Peter Chew and his alternate Kok Teun as Directors of the company.

By order of the Board
MERMAID MARINE AUSTRALIA LIMITED

PETER RAYNOR
Company Secretary