



MERMAID MARINE
AUSTRALIA LTD

CORPORATE OFFICE

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24 October 2011

The Listing Manager
Australian Securities Exchange Ltd
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

MERMAID MARINE AUSTRALIA LIMITED ("COMPANY") - NOTICE OF 2011 ANNUAL GENERAL MEETING

Pursuant to Listing Rule 3.17, please find **attached** a copy of the following documents which have been mailed to the Company's shareholders today:

- Notice of Annual General Meeting; and
- Proxy Form.

A copy of the Company's 2011 Annual Report was released to the ASX on 15th September 2011 and is available for review on the Company's website at www.mma.com.au.

Kind regards,

MERMAID MARINE AUSTRALIA LTD

Dylan Roberts
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**AGM** or **Meeting**) of members of Mermaid Marine Australia Limited ABN 21 083 185 693 (**Company**) will be held at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia on Thursday, 24 November 2011 at 10.30am (Perth time).

BUSINESS

Item 1. Annual Financial Report, Directors' Report and Auditor's Report

To consider the Annual Report of the Company for the period ended 30 June 2011, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Item 2. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 1

"That the Remuneration Report for the year ended 30 June 2011 be adopted."

The Remuneration Report is set out in the 2011 Annual Report. Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement for Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) both of the following apply:
 - (i) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
 - (ii) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; or
- (d) all of the following apply:
 - (i) the person is the Chairman of the meeting; and
 - (ii) the Chairman does so as a proxy appointed by writing that does not specify how the proxy is to vote on Resolution 1; and
 - (iii) the vote is not cast on behalf of a described in subparagraphs (a) or (b) above; and
 - (iv) the Shareholder/s on whose behalf the Chairman is acting as proxy marks/mark the box on the proxy form, directing the Chairman to vote in accordance with the Chairman's stated voting intentions (where the Shareholder/s has/have not indicated in the proxy form a different voting intention for Resolution 1).

Item 3. Re-election of Mr. James Carver as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 2

"That Mr. James Carver who will retire as a Director by rotation in accordance with article 72.1 of the Company's Constitution, and who is eligible for re-election as a Director in accordance with article 72.2 of the Company's Constitution and who offers himself for re-election, be re-elected as a Director."

Item 4. Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan

To consider and, if thought fit, to pass the following as an ordinary resolution with or without amendment:

Resolution 3

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act and for all other purposes, the Shareholders approve the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan, the terms of which are summarised in Item 4 and Schedule 1 of the accompanying Explanatory Statement, and the issue of securities under it."

Voting Prohibition Statement for Resolution 3

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- (a) the proxy is either;
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 3.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Voting Exclusion

The Company will disregard any votes cast on Resolution 3 by:

- (a) any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed;
- (b) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (c) an associate of any of those persons,

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Item 5. Grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber

To consider and, if thought fit, to pass the following as an ordinary resolution with or without amendment:

Resolution 4

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve and authorise the grant of 331,142 performance rights over ordinary shares in the Company to the Managing Director, Mr. Jeffrey Weber, pursuant to the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan, the terms of which are summarised in Item 4 and Schedule 1 of the accompanying Explanatory Statement."

Voting Prohibition Statement for Resolution 4

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either;
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the meeting; and
- (d) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by:

- (a) any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed;
- (b) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (c) an associate of any of those persons,

However, the Company will not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Item 6. Adoption of a new Constitution

To consider and, if thought fit, to pass the following as a special resolution with or without amendment:

Resolution 5

"That, with effect from the close of the Meeting and for the purpose of section 136 of the Corporations Act 2001 (Cth), and for all other purposes, the Company approve and adopt the new Constitution (the key terms of which are set out in Schedule 2 of the accompanying Explanatory Statement) which will be tabled at the meeting and signed for identification purposes by the Chairman, as the Constitution of the Company in substitution for the present Constitution of the Company which is repealed in its entirety."

Item 7. Other Business

Members are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

BY ORDER OF THE BOARD



Dylan Darbyshire-Roberts
Company Secretary
Fremantle, Western Australia
Date: 18 October 2011

The Notice of Annual General Meeting, Explanatory Statement and proxy form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek professional advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments form part of this Notice of Meeting (**Notice**) and are important documents. They should be read carefully. If you have any questions regarding the matters set out in this Notice, including the Explanatory Statement, please contact your professional adviser.

GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company (**Shareholders**) in connection with the AGM of the Company to be held at 10.30am (Perth time) on Thursday, 24 November 2011 at the Parmelia Hilton Perth, 14 Mill Street, Perth, WA, 6000.

The purpose of this Explanatory Statement is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice.

THE FOLLOWING DOCUMENTS RELATE TO THE AGM:

- Notice of Meeting, including the Explanatory Statement;
- Proxy form and return envelope; and
- Appointment of a corporate representative (for shareholder companies).

If you are attending the AGM in Perth and have not lodged a proxy form, please bring the proxy form with you to assist with registration.

If you are not attending the AGM in Perth, you can lodge a completed proxy form by returning it in the enclosed envelope or alternatively deliver it by:

- facsimile; or
- hand delivery,

to the Company's share registry, Computershare Investor Services Pty Ltd (**Share Registry**).

Please be aware that the proxy form needs to be received by the Company's Share Registry by no later than 10.30am (Perth time) on Tuesday, 22 November 2011. Proxy forms received after this time will be invalid. Further details on lodging your proxy form can be found on the reverse side of the proxy form.

Information about voting

- (a) The Company has determined that, for the purposes of the AGM, all shares in the Company shall be taken to be held by the person who held shares as a registered shareholder at 5.00pm (Perth time) on Tuesday, 22 November 2011 (**Effective Time**).

- (b) All holders of shares in the Company as at the Effective Time are entitled to attend and vote at the AGM and may appoint a proxy to attend the AGM and vote in their stead.
- (c) A proxy need not be a member of the Company.
- (d) The proxy form sent with this Notice should be used for the AGM.
- (e) Each Shareholder who is entitled to cast 2 or more votes at the AGM may appoint 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes, each proxy may exercise half of the votes. An additional proxy form will be supplied by the Company on request.
- (f) In the case of an individual, a proxy form must be signed by the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy form must be executed by the corporation pursuant to section 127 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or be signed by a duly authorised officer or attorney of that corporation.
- (g) Any member may, by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or certified copy of the power of attorney must be received by the Company as specified in paragraph (l).
- (h) Any corporation which is a member of the Company may appoint a representative to attend and vote for that corporation at the AGM. Appointments of representatives by corporations must be received by the Company as specified in paragraph (l) or handed in at the AGM when registering as a corporate representative.
- (i) New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:
 - (i) if proxy holders vote, they must cast all directed proxies as directed; and
 - (ii) any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

More detail on these changes is provided below.

(j) **Proxy vote if appointment specifies way to vote**

Section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and

- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (iii) if the proxy is the Chairman of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- (iv) if the proxy is not the Chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

(k) Transfer of non-Chairman proxy to Chairman in certain circumstances

Section 250BC provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (ii) the appointed proxy is not the Chairman of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either of the following applies:
 - (1) the proxy is not recorded as attending the meeting; or
 - (2) the proxy does not vote on the resolution,

the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

(l) Proxies on Resolution 1 (Adoption of Remuneration Report)

If you appoint the Chairman of the meeting as your proxy, you must either direct the Chairman how to vote on Resolution 1 or mark the box on the proxy form if you want your shares to be voted on that item of business.

If you appoint any other member of key management personnel or any closely related party of a member of key management personnel (including a closely related party of the Chairman) as your proxy, you must direct that person how to vote on Resolution 1 if you want your shares to be voted on that item of business.

If either of the above applies to you and you do not act in accordance with the above, your proxy will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

- (m) To vote by proxy, the proxy form (together, if applicable, with the original of any power of attorney or other authority, or certified copy of that power of attorney or other authority under which the proxy is signed) must be received at the Share Registry of

the Company no later than 10:30am (Perth time) on Tuesday, 22 November 2011. Proxy forms received after that time will be invalid. Proxy forms must be received by one of the following methods:

- (i) by post: GPO Box 242, Melbourne, Victoria, 3001;
- (ii) by facsimile: at the office of Computershare Investor Services Pty Ltd – within Australia 1800 783 447, outside Australia +61 3 9473 2555; or
- (iii) by electronic lodgement: lodging their proxy electronically via the following website: www.intermediaryonline.com

Item 1. Annual Financial Report, Directors' Report and Auditor's Report

The Corporations Act requires the Annual Financial Report, Directors' Report and the Auditor's Report (**Annual Report**) to be received and considered at the AGM. A copy of the Company's Annual Report for the year ended 30 June 2011 is available on the Company's website www.mma.com.au.

When you access the Company's Annual Report on-line, you can view it and print a copy of it. Please note that if you have elected to continue to receive a hard copy of the Company's Annual Report, it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's Annual Report and now (or at some time in the future) wish to receive a hard copy of the Company's Annual Report, please contact the Company, who will arrange to mail you a hard copy.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity:

- to ask questions about, or make comments on, the management of the Company; and
- to ask the Company's auditor or the auditor's representative questions relevant to:
 - the conduct of the audit;
 - the preparation and content of the Auditor's Report;
 - the accounting policies adopted by the Company in relation to the preparation of financial statements; and
 - the independence of the auditor in relation to the conduct of the audit.

Shareholders are encouraged to submit any question that they may have regarding the above matters, in writing (including by email), to the Company by no later than 5.00pm (Perth time) on Thursday, 17 November 2011. This will allow the Company time to prepare and present a comprehensive response to Shareholders at the AGM.

A Shareholder of the Company who is entitled to cast a vote at the AGM may also submit a written question to the auditor if the question is relevant to:

- the content of the Auditor's Report to be considered at the AGM; or
- the conduct of the audit of the Annual Report to be considered at the AGM.

A written question to the auditor may only be submitted by giving the question to the Company (attention: the Company Secretary – Mermaid Marine Australia Limited) by no later than 5.00pm (Perth time) on Thursday, 17 November 2011, which the Company will then pass on to the auditor. The Company will allow a reasonable opportunity for the auditor's representative to answer the written questions submitted to the auditor.

The Company will make available to Shareholders attending the AGM copies of the list of Shareholder questions presented to the auditor, which the auditor considers relevant.

Item 2. Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report, which is set out in the Company's Annual Report for the year ended 30 June 2011, includes:

- information about the remuneration policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- a description of the relationship between the remuneration policy and the Company's performance; and
- details of the remuneration arrangements for the Directors and senior management of the Company for the year ended 30 June 2011.

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. However, with effect from 1 July 2011, the Corporations Act has been amended to require that if a company's Remuneration Report receives an 'against' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must be put at the later annual general meeting that another meeting be held (within 90 days) at which all directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. So, in summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

The Chairman of the AGM will allow a reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the AGM. The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and the individual.

Directors' Recommendation:

On the above basis, the Directors recommend that members vote in favour of the advisory Resolution 1 set out in Item 2.

Item 3. Resolution 2 – Re-election of Mr. James Carver as a Director

It is a requirement under article 72.1 of the Company's constitution (**Constitution**) that Mr. James Carver retire as a Director, by rotation. Mr. Carver offers himself for re-election and in accordance with article 72.2 of the Company's Constitution, is eligible for re-election.

Captain James Carver is a Ships' Master with over 30 years' direct experience in the marine industry. As Woodside Petroleum's first Ships' Master, he carried out marine operations in LNG development. Captain Carver, who has been involved in exploration, construction and production for most of the oil and gas projects on the North-West Shelf, has an in-depth knowledge of the industry, its needs and its future. He established Mermaid Marine in 1982 and pursued a 'can do' attitude at sea and ashore. Under his direction, the fleet grew from one to 15 vessels and the base at Dampier was secured for its present expansion.

Directors' Recommendation:

With Mr James Carver abstaining, the Directors recommend that members vote in favour of Resolution 2 set out in Item 3.

Item 4. Resolution 3 – Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan

4.1 Background

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act and for all other purposes, to approve the Mermaid Marine Australia Limited Managing Director's Performance Rights Plan (**Plan**).

4.2 Reason Shareholder approval is required

ASX Listing Rule 7.2 (Exception 9)

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares issued pursuant to the vesting of performance rights under the Plan (**Performance Rights**)) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

ASX Listing Rule 7.2 (Exception 9) effectively provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% for ASX Listing Rule 7.1 purposes, provided that the employee incentive scheme and the

securities to be issued pursuant to the scheme have been approved by shareholders within the 3 years prior to the issue of securities.

The approval of Shareholders is being sought to provide the Company with maximum flexibility to undertake equity raisings in the future without the need for further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital. It should be noted that, notwithstanding any approval by Shareholders of resolution 3, any future equity raising will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

Section 260C(4) of the Corporations Act

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the Company. The operation of the proposed new rules of the Plan (following the establishment of an employee share trust (**EST**) as detailed in 4.4 below) may constitute the Company providing financial assistance for the acquisition of its shares. So, in addition to Shareholder approval being obtained under ASX Listing Rule 7.2 (Exception 9), approval is being sought for the purposes of section 260C(4) of the Corporations Act to allow for the giving of financial assistance by the Company for acquiring shares in the Company. Further details on why the acquisition of shares by the EST on behalf of Mr Weber (upon the vesting of Performance Rights) may be considered to constitute the giving of financial assistance under the Corporations Act are set out in section 4.4 below.

4.3 Terms of the Performance Rights – Mermaid Marine Australia Limited Managing Director's Performance Rights Plan

The Plan is a new employee incentive scheme which has been established to assist with the reward, retention and motivation of the Managing Director, Mr. Weber. The Performance Rights to be granted to the Managing Director:

- will be granted subject to the terms and conditions of the Plan; and
- are the long-term incentive component of the Managing Director's remuneration package in line with the Company's remuneration policy which is detailed in the 2011 Annual Report.

A Performance Right is a right to acquire one fully paid ordinary share in the Company. Until a Performance Right vests and a share is issued, the Managing Director, in his capacity as a holder of a Performance Right:

- does not have a legal or beneficial interest in shares of the Company; and
- is not entitled to receive dividends or other Shareholder benefits.

A summary of the terms and conditions of the Plan is set out below. A copy of the Plan is available for inspection by Shareholders by contacting the Company Secretary on (+61) 8 9431 7431.

Board's discretion to invite Managing Director and determine criteria

The Performance Rights will be subject to performance criteria as set out in Schedule 1 (**Performance Criteria**) which must be satisfied over a specified period of time (**Performance Period**) before the Performance Rights can vest.

When issuing an invitation under the Plan, the Board has discretion to determine the terms and conditions of a grant of Performance Rights to ensure that they are appropriate. The Board's discretion includes determining:

- whether the Managing Director is eligible to participate in the Plan (and inviting him to participate);
- the number of Performance Rights granted to the Managing Director; and
- the applicable Performance Criteria and Performance Period.

If Shareholders approve resolution 3 and resolution 4, the Board intends to invite the Managing Director to accept an offer of 331,142 Performance Rights under the Plan. Details of the Performance Criteria and Performance Period applicable to the proposed grant of Performance Rights to the Managing Director are set out in Schedule 1.

Transfers

The Plan does not allow the Managing Director to transfer Performance Rights, except by force of law upon death or bankruptcy, or if the Board gives its prior written consent (**Permitted Transfer**).

No consideration payable

No consideration is payable in respect of the grant of Performance Rights, nor is any amount payable upon the vesting of Performance Rights, or the subsequent issue of shares in respect of them.

5% cap

Broadly, the maximum number of securities which may be issued under the Plan (and any other employee share scheme operated by the Company) in a 5 year period is limited to 5% of the issued shares in the Company (calculated at the date of the invitation under the Plan), subject to a range of exclusions, including, for example, securities issued under a disclosure document, or which did not require disclosure because of section 708 of the Corporations Act.

Vesting of Performance Rights

A Performance Right granted to the Managing Director will vest:

- at the end of the Performance Period upon the Board giving written notice to the Managing Director of the number of Performance Rights in respect of which the Performance Criteria were satisfied over the Performance Period; or
- if the Board determines that it vests early as a result of an event such as a takeover bid or scheme of arrangement.

Fully paid ordinary shares will be issued directly to the Managing Director within a reasonable time after a Performance Right vests.

Lapse of Performance Rights

A Performance Right granted will lapse on the earliest to occur of:

- the end of the Performance Period if the Performance Criteria relating to the Performance Right have not been satisfied;
- the Managing Director purporting to transfer a Performance Right, other than a Permitted Transfer;
- the Managing Director ceasing employment, other than because of a Qualifying Reason (please see definition of Qualified Reason below);
- if in the opinion of the Board, the Managing Director has acted fraudulently or dishonestly or in breach of his obligations to the Company or any of its subsidiaries (together, the **Group**), and the Board determining that the Performance Rights held by the Managing Director should lapse; and
- an event such as a takeover bid or scheme of arrangement occurring (in certain circumstances subject to Board discretion).

Cessation of employment

As noted above, Performance Rights will automatically lapse when the Managing Director ceases to be employed by a member of the Group, other than because of a Qualifying Reason.

A **Qualifying Reason** includes the death, total and permanent disablement or retirement of the Managing Director, or the Managing Director ceasing to be employed by a member of the Group as a result of a relevant body corporate ceasing to be part of the Group or the sale of a business conducted by a member of the Group to a third party. The Board may also determine, in its absolute discretion, that any other reason will constitute a Qualifying Reason.

If the Managing Director's employment with a Group member ceases because of a Qualifying Reason, a proportion of the Managing Director's Performance Rights (calculated by reference to the number of days in the Performance Period which have

elapsed as at the date of cessation of employment) will be capable of vesting if, over the Performance Period, the Performance Criteria in respect of those Performance Rights were satisfied. In such circumstances, the remaining Performance Rights of the Managing Director which do not vest, will lapse.

Adjustments upon alterations of capital

Subject to the ASX Listing Rules, if the Company makes a new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, then the Board may make adjustments to the Managing Director's Performance Rights (including, without limitation, to the number of shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria on any basis its sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the Managing Director as a result of such corporate actions.

Subject to the above adjustments, during the currency of any Performance Rights and prior to vesting and the issue of shares in respect of those Performance Rights, the Managing Director is not entitled to participate in any new issue of securities of the Company as a result of his holding of Performance Rights.

Amendments to the Plan

The Board may by written instrument amend all or any of the provisions of the Plan, with retrospective effect, provided that the amendment does not materially reduce the rights of the Managing Director as they existed before the date of amendment. The Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the ASX Listing Rules) amendments may be made even if they materially reduce the rights of the Managing Director.

4.4 Proposed amendments to Mermaid Marine Australia Limited Managing Director's Performance Rights Plan

Background

The Company proposes to establish an EST to provide a single vehicle for the administration of existing and new long-term employee equity plans.

It is anticipated that the establishment of the EST will provide a range of commercial benefits for the Company and will result in various amendments having to be made to the rules of the Plan.

A summary of the key differences between the existing rules of the Plan and the new rules of the Plan under the proposed EST structure is set out in Schedule 2. This summary is not exhaustive.

Section 260C(4) of the Corporations Act

The proposed new rules of the Plan provide that, subject to the trustee of the EST (**Trustee**) receiving from the Company sufficient funds to subscribe for, or acquire, the shares (upon the vesting of the Performance Rights), the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new shares or acquire shares on market to be held on the Managing Director's behalf, or instruct the Trustee to use a combination of both alternatives. The provision of funds by the Company to the Trustee to acquire shares in the Company on behalf of the Managing Director may be considered to constitute "financial assistance" under the Corporations Act.

Section 260A of the Corporations Act provides that a Company may financially assist a person to acquire shares (or units of shares) in the Company if the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

In addition to Shareholder approval being obtained under ASX Listing Rules 7.2 (Exception 9), approval is also being sought for the purposes of section 260C(4) of the Corporations Act to allow the Company to provide funds to the Trustee to subscribe for, or acquire on market, the shares (upon the vesting of the Performance Rights) to be held by the Trustee on the Managing Director's behalf.

ASX Listing Rule 6.23.4

ASX treats the Performance Rights issued under the Plan as options for the purposes of compliance with ASX Listing Rule 6.23.4.

ASX Listing Rule 6.23.4 provides that a change to the Performance Rights which is not permitted under ASX Listing Rule 6.23.3 (being a change which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise) can only be made with shareholder approval (unless an ASX waiver is obtained).

The proposed amendments to the Plan (to allow the EST to subscribe for shares on behalf of the Managing Director upon vesting of Performance Rights) would be a change affecting the Performance Rights which falls within the terms of ASX Listing Rule 6.23.4.

Therefore, if the proposed changes to the Plan are implemented in the future, at the time those changes are made to the Plan (and the terms of the Performance Rights are affected under ASX Listing Rule 6.23.4) the Company will either obtain Shareholder approval or apply for an ASX waiver to ASX Listing Rule 6.23.4.

Item 5. Resolution 4 – Grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber

5.1 Background

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14 and for all other purposes, to grant 331,142 Performance Rights to the Managing Director, Mr. Jeffrey Weber, pursuant to the Plan.

As detailed in the Remuneration Report of the Company's 2011 Annual Report, the Managing Director's remuneration comprises both a fixed component and an at-risk component (including both a short-term incentive and long-term incentive), which are designed to:

- remunerate the Managing Director for increasing shareholder value and for achieving financial targets and business strategies; and
- retain and reward the Managing Director for meeting prescribed performance criteria which are set by the Board with due regard to the Company's long-term strategy.

The number of Performance Rights to be granted to the Managing Director under the long-term incentive component of the Managing Director's 2012 remuneration package (being 331,142 Performance Rights which are valued at \$637,500 and which equates to 75% of the Managing Director's fixed annual remuneration for the year) is determined by the Board with regard to an independent valuation of the Performance Rights by PricewaterhouseCoopers (**PWC**) which takes into account the Performance Criteria applicable to the Performance Rights.

5.2 Reason Shareholder approval is required

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an employee incentive scheme to a director of a company or his or her associate. As Mr. Weber is a Director, approval is being sought for the purposes of ASX Listing Rule 10.14 to allow Mr. Weber to acquire securities under an employee incentive scheme.

5.3 Specific information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders to assist them in determining whether to approve the grant of Performance Rights to Mr. Weber under resolution 4:

- under the terms of the Plan, and subject to Shareholder approval, Mr. Weber will be granted a maximum of 331,142 Performance Rights (giving Mr. Weber an entitlement to potentially acquire a maximum of 331,142 fully paid ordinary shares in the Company under the Plan);

- no consideration is payable by Mr. Weber in respect of the grant of Performance Rights, nor will any amount be payable on vesting of Performance Rights, or the subsequent issue of shares in respect of them;
- as the Plan is a new employee incentive scheme, no person has received Performance Rights under the Plan;
- Mr. Weber is the only person entitled to participate in the Plan;
- a voting exclusion statement for resolution 4 is included in this Notice;
- no loans will be made to Mr. Weber in relation to an acquisition of Performance Rights or shares under the Plan; and
- if Shareholders approve resolution 4, the Performance Rights will be granted to Mr. Weber as soon as practicable after the date of the AGM, and in any event, no later than three months after the date of the AGM.

Directors' Recommendation:

With Mr. Jeffrey Weber abstaining, the Directors recommend that members vote in favour of Resolution 4 set out in Item 5.

Item 6. Resolution 5 – Adoption of a new Constitution

Resolution 5 is a special resolution proposing that the existing Constitution be repealed in its entirety and replaced with a new Constitution, a copy of which is available for inspection at the Company's registered office or available upon request from the Company Secretary.

The existing Constitution was adopted on the Company's conversion to a public company on 21 June 1999. Since that date, various requirements under the Corporations Act and the ASX Listing Rules have been amended or deleted. As a result, parts of the existing Constitution are not entirely consistent with the new provisions of the Corporations Act or are otherwise out of date with the provisions of the ASX Listing Rules.

Rather than making a large number of amendments to the existing Constitution to incorporate the necessary changes, the Directors consider it simpler and more practical to replace the existing Constitution with the proposed new Constitution.

Resolution 5 seeks shareholder approval for the adoption of a new Constitution in accordance with section 136 of the Corporations Act, which permits the Company to repeal its existing Constitution and, by special resolution, adopt a new one.

It is proposed that the existing Constitution be replaced to enable the Company to better function in accordance with its constituent documents by:

- taking account of the substantive amendments to the Corporations Act and Listing Rules, changes in Australian corporate governance practices and reflecting terminology shifts, since the existing Constitution was first adopted in 1999; and
- clarifying and simplifying certain provisions in the existing Constitution.

It is proposed that the new Constitution will become effective from the close of the Meeting.

A summary of the key differences between the existing Constitution and the proposed new Constitution is set out in Schedule 3. This summary is not exhaustive.

The proposed new Constitution has been approved by ASX as required by the ASX Listing Rules.

Resolution 5 is a special resolution which means that a vote to pass this resolution is decided on a 75% majority of votes cast by shareholders entitled to vote.

Directors' Recommendation:

The Directors' recommend that members vote in favour of Resolution 5 set out in Item 6.

Schedule 1 – Performance Criteria and Performance Period in respect of grant of Performance Rights to the Managing Director, Mr. Jeffrey Weber

The Performance Rights to be granted to the Managing Director will be subject to two Performance Criteria. The table below sets out the Performance Criteria which will determine the extent to which any such Performance Rights vest.

For the purposes of assessing the Performance Criteria, the relevant Performance Period is the period beginning on 1 July 2011 and ending on 30 June 2014.

Performance criteria	No of Performance Rights which are subject to performance criteria	Performance criteria targets	Percentage of Performance Rights specified which vest if target met
Normalised Earnings per Share (EPS) growth	54,769	Less than 6% Equal to 6% Between 6% and 12.5% Equal to 12.5%	Nil 50% 50-100% pro-rata 100%
Company's Total Shareholder Return (TSR) percentile ranking over the Performance Period relative to a selected Peer Group	276,373	Below the 50th percentile At the 50th percentile Between 50th and 90th percentile At the 90th percentile	Nil 50% 50-100% pro-rata 100%

Normalised Earnings per Share (EPS) growth means the growth in earnings per share of the Company, annualised over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion (including any determination that the impact of one-off or non-recurring items should be excluded for the purposes of the calculation).

Total Shareholder Return (TSR) means, broadly, the increase in the share price plus dividends paid (calculated in Australian dollars), excluding franking credits and taxation, over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion.

Peer Group means the peer group comprising the following ASX-listed companies (the composition of which may be changed by the Board in its absolute discretion):

Ausenco Limited (ASX: AAX), Asciano Limited (ASX:AIO), Clough Limited (ASX:CLO), Fleetwood Corporation Limited (ASX:FWD), Imdex Limited (ASX:IMD), Macmahon Holdings Limited (ASX:MAH), Miclyn Express Offshore Limited (ASX:MIO), Monadelphous Group Limited (ASX:MND), Programmed Maintenance Services Ltd (ASX:PRG), QUBE Logistics Holdings Limited (ASX:QUB), Skilled Group Limited (ASX:SKE), Toll Holdings Limited (ASX: TOL), Tox Free Solutions Limited (ASX:TOX), Worley Parsons Limited (ASX:WOR).

Schedule 2 – Key differences between the existing rules of the Plan and the new rules of the Plan under the proposed EST structure

	Existing rules of the Plan	New rules of the Plan
Legal title to the shares	Held by the Managing Director	Held by the Trustee of the EST on the terms of the trust deed
Beneficial title to the shares	Held by the Managing Director	Held by the Managing Director
Dividends	Paid by the Company directly to the Managing Director	Paid by the Company to the Trustee, and the Trustee will pay any such dividends to the Managing Director as soon as reasonably practicable.
Shares upon vesting	Company must issue the relevant number of shares to the Managing Director (in respect of which Performance Rights have vested) within a reasonable time after vesting	Company must instruct the Trustee to subscribe for, acquire and/or allocate, the relevant number of shares to the Managing Director (in respect of which Performance Rights have vested) within a reasonable time after vesting. Subject to the Trustee receiving from the Company sufficient funds to subscribe for, or acquire, the shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new shares or acquire shares on market to be held on the Managing Director's behalf, or instruct the Trustee to use a combination of both alternatives.
Withdrawal from the EST	N/A	Shares (issued upon the vesting of Performance Rights) are held on trust for the benefit of the Managing Director unless and until the shares are withdrawn from the trust by: - the Managing Director submitting to the Company a withdrawal notice; - the Board approving that withdrawal notice; and - the Trustee acting in accordance with any such approval by the Board by transferring the legal title in those shares, or by selling those shares, in accordance with the instructions of the Managing Director.

Schedule 3 – Key differences between the existing Constitution of the Company and the proposed new Constitution of the Company

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
Changes in terminology	A number of the definitions used in the existing Constitution are outdated.	Definitions are updated to reflect changes in the Corporations Act, Listing Rules and the ASX Settlement Rules.
Share premium account	The existing Constitution refers to a share premium account. These references are no longer relevant given amendments to the Corporations Act.	No equivalent provision.
Brokerage and commissions	The Company may exercise the power under the Corporations Law to pay brokerage or commission if the requirements set out in the Corporations Law or Listing Rules are met.	The Company may pay brokerage or commissions. References to restrictions imposed by the Corporations Act or Listing Rules have been removed.
Procedure for calls on shares	The Board may make calls on members in respect of money unpaid on shares. The Company must give each member notice of the call, specifying the day, time and place of payment, and the member must pay to the Company the amount of the call in accordance with the notice.	The Board may make calls on a member for some or all of the money unpaid on a share or make a call payable by installments. The Company must give written notice of the call or installment within the time limits and in the form required by the Listing Rules.
Unmarketable parcels	The provisions regarding the sale of unmarketable parcels are outdated.	Contains rules regarding the sale of unmarketable parcels consistent with the Listing Rules.
Share capital reductions	This provision is outdated given amendments to the Corporations Act.	Permits the Company to reduce or alter its capital in accordance with the Corporations Act.
Postponement or cancellation of meeting	No equivalent provision.	The Board may postpone, cancel or change the place for a meeting of members by written notice given to ASX.
Notice of adjourned meeting	When a meeting is adjourned for 30 days or more, the Company must give notice of the adjourned meeting as if it were an original meeting.	If a meeting of members is postponed or adjourned for one month or more, the Company must give new notice of the adjourned meeting.
Technology and meeting	No equivalent provision.	The Company may hold a meeting of members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.
Quorum for meetings of members	The quorum for a meeting of members is three members present personally or by proxy, attorney or representative. If the Company has fewer than three members, the quorum consists of all the members.	The quorum for a meeting of members is two voting members present and entitled to vote at the meeting.
	No equivalent provision.	Each individual present may only be counted once toward a quorum.
	No equivalent provision.	If a member has appointed more than one

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
		proxy or representative, only one of them may be counted toward a quorum.
	The quorum must be present within 30 minutes after the time for which a meeting of members is called.	The quorum must be present within 15 minutes after the time for which a meeting of members is called.
Chairman of meetings of members	The Chairman must preside as Chairman of every meeting of members.	If the Board has appointed a Director to chair Board meetings, that Director may also chair meetings of members.
	If the Chairman is not present within 15 minutes after the time for which the meeting is called, or is unwilling to act, the Directors may nominate a Director to preside. If no nomination is made or if no Director is present within 15 minutes after the time for which the meeting is called, or if no Director is willing to act, the members present are to elect a Chairman.	If the Chairman is not present or there is no Chairman, the members present must elect a member or Director present to chair the meeting.
Demand for a poll	The requirement under the existing Constitution regarding the number of members required to demand a poll is inconsistent with section 250L of the Corporations Act and needs to be updated.	A poll may be demanded on any resolution by at least five members entitled to vote on the resolution, members entitled to cast at least 5% of the votes that may be cast on the resolution on a poll, or the chairman.
Casting vote - member meeting	The Chairman does not have a casting vote.	The Chairman has a casting vote. However, if the Chairman is not entitled to vote on the resolution, the matter is decided in the negative.
Proxies	Each member entitled to vote at a meeting of members may vote in person or by proxy, attorney or representative.	A member may appoint a proxy, attorney or representative to act at a particular meeting of members or make a standing appointment (which may be revoked).
	No equivalent provision.	The appointment of a proxy or attorney is not revoked by the member attending and taking part in the meeting of members.
	If a member and its proxy are present at a meeting, the proxy's authority to speak and vote for that member is suspended while the member is present at the meeting.	If a member and its proxy are present at a meeting and the member votes on a resolution, the proxy is not entitled to vote.
Proxies' voting rights	The existing Constitution provides that if a member appoints more than one proxy, the appointment of both proxies is ineffective unless each proxy is appointed to represent a specified number of shares or proportion of the member's voting rights. This is inconsistent with section 249X of the Corporations Act and needs to be updated.	If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of those votes.
Appointment of attorney	A member may appoint an attorney to act on its behalf at a meeting of members. The attorney must be appointed by a duly executed power of attorney, which the Board may at any time require to be produced for inspection.	A member may appoint an attorney to act at a meeting of members. If the appointor is an individual, the power of attorney must be signed in the presence of at least one witness. The instrument effecting the appointment of an attorney must be received by the Company at least 48 hours before the time

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
		for which the meeting is called.
Number of Directors	Until otherwise determined by a general meeting, the number of Directors will be no fewer than three nor more than 12.	Not counting alternate Directors, the Company must have at least three and not more than five Directors. The Board may from time to time determine to increase the maximum number of Directors but the maximum applying at any time cannot be reduced except by the Company in general meeting.
Eligibility of Directors	No person under the age of 18 years or a body corporate is eligible to be appointed as a Director. A Director may hold any other office in conjunction with the office of Director, except that of auditor.	Neither the auditor of the Company for the time being nor any partner, director or employee of the auditor is eligible to act as a Director.
	No person (other than an eligible retiring Director) is eligible for election as a Director unless consent to nomination is lodged at the registered office at least 30 business days before the meeting of members.	The Company must accept nominations from members for election of Directors up to 45 business days before the meeting of members.
Quorum for Board meetings	The quorum for a meeting of Directors is two Directors, unless otherwise previously determined by the Board.	No change.
	If the Directors confer by electronic or technological means of audio or audio-visual communication and all Directors receive notice of the conference, have access to the Conference, are able to hear each of the other Directors at all times and do not disconnect during the conference, then the conference will be treated as if it were a Board meeting.	A Director is treated as present at a meeting held by audio or audio-visual communication if the Director is able to hear and be heard by all others attending.
Casting vote - Board meeting	The Chairman has a casting vote except where only two Directors are present and form a quorum or are entitled to vote on the matter.	The Chairman has a second or casting vote. However, if there are only two Directors entitled to vote or the Chairman is not entitled to vote, the matter is decided in the negative.
Additional provisions concerning written resolutions	No equivalent provision.	A facsimile or electronic message containing the text of a document which has been signed by a Director is taken to be signed by that Director at the time the document is received by the Company.
Material personal interest	The provisions of the existing Constitution regarding Directors' disclosure of material personal interests need to be updated to be consistent with the Corporations Act.	Each Director must comply with section 195 of the Corporations Act in relation to being present and voting at a Board meeting that considers a matter in which a Director has a material personal interest. These provisions are consistent with the requirements of the Corporations Act.
Removal of Directors	No equivalent provision.	A person automatically ceases to be a Director if they cease to be a Managing Director.

SUBJECT	EXISTING CONSTITUTION	PROPOSED NEW CONSTITUTION
Remuneration of non-executive Directors	No equivalent provision.	Non-executive Directors are entitled to be paid as remuneration for their services an aggregate amount fixed by ordinary resolution of the Company.
	No equivalent provision.	The remuneration is allocated among the non-executive Directors on an equal basis having regard to the proportion of the relevant year for which each Director held office, or as otherwise decided by the Board. The remuneration is provided in the manner the Board decides, which may include provision of non-cash benefits.
Minutes	No equivalent provision.	The Company must allow members to inspect the minute book.
Notices sent electronically	No equivalent provision.	Notices to members may be sent by electronic message.
	No equivalent provision.	Circulating resolutions may be sent by electronic message.
Payment of dividends	The provisions of the existing Constitution dealing with the payment of dividends need to be updated to be consistent with the Corporations Act.	Subject to the Corporations Act (specifically section 254T), and the terms of issue of the relevant shares, the Board may resolve to pay any dividend it thinks appropriate and fix the time for payment.
Reinvest dividends	No equivalent provision.	The Board may adopt and implement a re-investment plan for dividends paid.
Other share plans	No equivalent provision.	The Board has the power to adopt and implement a number of share plans, including plans for the benefit of employees or Directors of the Company.
Indemnity of officers	The Company may indemnify Directors, other officers or the auditor of the Company or a related body corporate against any liabilities, incurred by the officer in specified circumstances. The provisions of the existing Constitution require updating to be consistent with the provisions of the Corporations Act and the <i>Competition and Consumer Act 2010</i> (Cth).	Subject to the Corporations Act and the <i>Competition and Consumer Act 2010</i> (Cth), the Company must indemnify every officer (including Directors and secretaries) of the Company and its wholly owned subsidiaries.



MERMAID MARINE
AUSTRALIA LTD

ABN 21 083 185 693

000001 000 MRM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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www.investorvote.com.au



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Victoria 3001 Australia

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(outside Australia) +61 3 9473 2555

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Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:30am (Perth time) Tuesday 22 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**



MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Mermaid Marine Australia Ltd hereby appoint

☐ the Chairman of the meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Mermaid Marine Australia Ltd to be held at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia on Thursday, 24 November 2011 at 10:30am (Perth time) and at any adjournment of that meeting.

Important for Resolution 1 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default
By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 as set out below and in the Notice of Meeting.
If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolution 1. The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

☐

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention below). I/We acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

Important for Resolutions 3 and 4 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default
If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of Resolutions 3 and 4, please be aware that by signing this form you are taken to expressly authorise the Chairman of the Meeting to exercise your proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company. The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 3 and 4.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS	For	Against	Abstain
Resolution 1 Adoption of the Remuneration Report	☐	☐	☐
Resolution 2 Re-election of Mr James Carver as a Director	☐	☐	☐
Resolution 3 Approval of Mermaid Marine Australia Limited Managing Director's Performance Rights Plan	☐	☐	☐
Resolution 4 Grant of Performance Rights to the Managing Director, Mr Jeffrey Weber	☐	☐	☐
SPECIAL BUSINESS			
Resolution 5 Adoption of a new Constitution	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business

SIGN

Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/

/