

1 PAGE(S) INCLUDING THIS PAGE



MERMAID MARINE
AUSTRALIA LIMITED

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10 May 2004

The Listing Manager
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: VESSEL SERVICES CONTRACT WITH BHP BILLITON

The Directors of Mermaid Marine Australia Limited are pleased to advise that a contract for vessel services to the Griffin Venture FPSO oil and gas production facility has been concluded with BHP Billiton. The contract will operate for three years with an option for a further two years and represents a further move towards longer term contracts that will provide a greater balance between the Group's annuity and spot income streams. To meet the forecast work load the Company has chartered a 52 tonne bollard pull ocean going tug from our largest shareholder, PSA Marine (Port of Singapore Marine). The arrangement satisfies the short term need, and will be reviewed over coming months in favour of ownership alternatives.

By order of the Board
MERMAID MARINE AUSTRALIA LIMITED

BRENDAN GORE
Company Secretary