

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

- (v) Rental is subject to market reviews every 21/2 years during the term, although the rental may not decrease.
 - (vi) An independent qualified valuer has determined that the fair open market rental value for the premises is \$66,335 per annum for the currently occupied area. There is additional area available in the building for expansion purposes as and when required with appropriate rent adjustments in accordance with the per metre charge derived from this valuation.
 - (vii) The parties have agreed to execute a formal lease agreement which is to contain all other usual contractual provisions that would be expected to be found in a commercial lease of like nature.
- (c) Unsecured loans of \$50,000 had been provided to Slimdrill Pty Ltd during the period ended 30 June 1999. The balance of loans outstanding at balance date was \$11,184. Interest was charged during the Financial Year at a rate of 6.7%. This amount has since been settled.

Mermaid Marine Australia Limited is the ultimate Australian parent entity.

28. SEGMENT REPORTING

The economic entity operates predominantly within Australia and in one industry segment, being the hire and sale of marine related plant and equipment, buildings and land to companies operating in the oil and gas industry.